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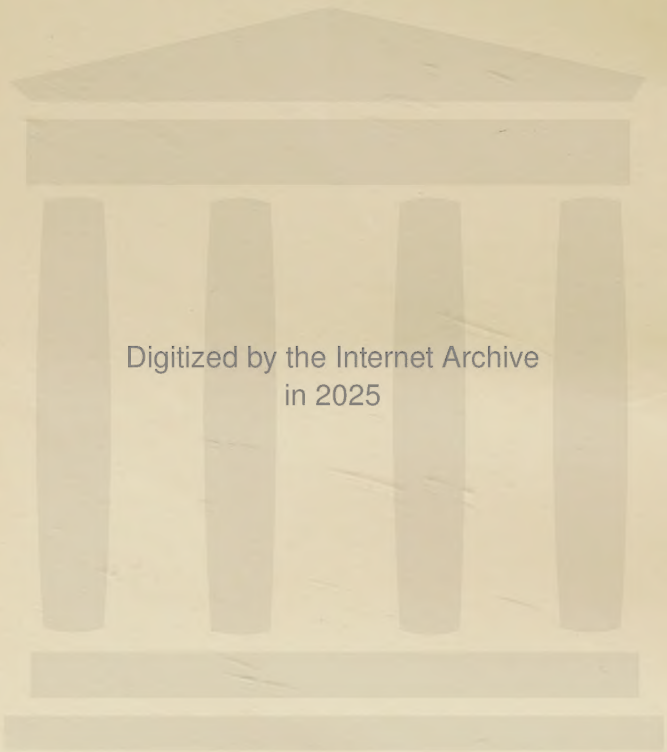
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A Short History of the British Working Class Movement 1789-1927

by

G. D. H. Cole

Volume III. 1900-1927

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PREFACE

Since I published the second volume of this study, at least two books of first-rate importance bearing upon its subject have appeared, both in the United States. Miss Gillespie's " Labour and Politics in England, 1850–1867," fills a gap which caused me some trouble ; and Mr. L. H. Jenks's " The Migration of British Capital to 1875 " throws a very valuable light on the economic forces at work in the years before the " Great Depression." Will readers of this " Short History " add these two to the brief lists of books given in the preceding volume ?

I have found this third volume harder than its predecessor to write ; and I am even less satisfied with it now that it is done. For it is extraordinarily hard, at this nearness to the events described, to make sense of a period at once so eventful and so discontinuous as the quarter of a century covered by this volume. It is hard, here and there, not to lose one's temper over a controversy fresh enough to arouse passions. It is hard to tell what will seem significant in fifty years' time. And it is hard to compare, within this narrow compass, events of which even the details are largely fresh personal memories. I can only say that the job wanted doing, and I have done my best with it. If someone else will do it better, good luck to him !

I still hope, at some time, to make these three volumes the basis of a larger and more elaborate study. But that must wait, partly because I lack just now the time to do it, and partly because, if I did it, the working-class public would lack the money to buy. A book like this is obviously a mere apology for a history ; but there seemed something to be said for an apology someone could afford to read in preference for a real history which would languish only in a few libraries. Conditions, I hope, will change, and then, unless someone else has done the job first, I hope to try my hand at a record on a scale more worthy of the subject.

Finally, I have to give my best thanks to Mrs. Manus for re-drawing my clumsy attempts at chart-making.

G. D. H. Cole.

Oxford, 1927.

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CHAPTER I. THE NEW CENTURY

I

The New Century

The second volume of this study brought the history of the British workers to the beginning of the present century. In the latter half of the nineteenth century the working-class movement passed through two great phases of development. We saw the workers, after 1850, abandoning revolutionary aspirations and mass movements born of despair, and turning to the narrower task of building up an effective organisation for the protection of their interests within, and without fundamental challenge to, the capitalist order. We saw Trade Unions and Co-operative Societies alike assuming a stable form, and a method and policy based on making the best of the world as they found it. Along these lines we watched them achieving a great, though narrowly limited, success. The amalgamated societies of the skilled craftsmen, the " amalgamations " of cotton spinners and weavers, the less stable but always active and powerful Unions of the miners, remain as lasting monuments of this phase of growth. The local Co-operative Stores scattered through every industrial area and the great English and Scottish Co-operative Wholesale Societies are no less successful and typical products of the stage of working-class development.

We saw, however, how the limitations of this success had begun, in the last quarter of the century, to be more and more widely realised. The Trade Unions which were the backbone of Trade Unionism in the struggles of the 'seventies represented, and could with their methods and policy represent, only a fraction of the whole working class. The Co-operative Movement appealed powerfully to the thrifty artisan, but made, as a rule, no appeal to the unskilled or casual labourer, who could afford neither to save nor even regularly to pay cash for what he bought. The less skilled workers found themselves of little account in the calculations of the working-class leaders, and even, in some cases, in

actual hostility to them. The organised skilled workers sometimes exploited the less skilled in the name of Trade Unionism, and were often unsympathetic to the claims of a class of men whom they regarded as incapable of organisation or self-help. The unskilled had to find new ways of fighting their own battles ; and neither the Trade Union nor the Co-operative Society, as they were before 1889, seemed to offer them much help.

These limitations of the older methods of organisation had become very plain during the great depression which began towards the end of the 'seventies. The attempts at self-organisation among the less skilled workers had died away ; the agricultural workers, the gas-stokers and the engineering labourers had all failed to maintain the movements which they had launched in the booming years of the early 'seventies. The great amalgamated societies and the textile workers had been forced back into a rigidly defensive attitude ; the miners' movement had only saved itself from entire collapse by the acceptance of the sliding scale system. In the early 'eighties, it seemed as if the working-class movement had reached the limits of its expansion, and would need all its wits to prevent a serious decline in numbers. Even the Co-operative Societies, far less seriously affected by adverse economic conditions, were only able to make a slow advance.

Then, as we saw, the last twenty years of the nineteenth century brought a whole series of new movements to birth. The memorable Dock Strike of 1889 was only the outstanding event in a great process of change. Amid the sceptical comments of the older leaders, the unskilled workers began again to organise. The dockers and gasworkers founded Unions which spread far beyond the occupations in which they first arose. The miners formed a new and powerful Federation, based explicitly on the repudiation of the sliding scale. In one calling after another, new Unions were formed ; the effective strength of Trade Unionism grew by leaps and bounds. The Co-operative Movement made rapid, though less sensational, advances. And, last but not least, the idea of independent working-class political action, which had died away in the great depression, revived vigorously and took shape in a series of movements which speedily captured the imagination of the active young men and women of the Trade Unions and Co-operative Societies.

At the outset, these new movements were marked by an insistence and an immediacy which constituted half their challenge. In face of the great and recurrent trade depressions through which Great Britain had been passing, the early Socialists were sure of the essential instability of the capitalist system. The great days of capitalism, they believed, were over ; the system was declining and would speedily and inevitably pass away. The nemesis proclaimed by Marx was at hand ; and the mantle of the capitalists would soon fall upon the broad shoulders of the working class. The prosperity of the Victorian age had been inherently deceptive and transitory. Great Britain had prospered awhile because by a mixture of luck and cunning she had become the workshop of the world. For a generation and more, she had dumped her goods and her capital in every market ; but now her customers were taking their revenge. The export of capital had served to create powerful rivals to the British producer. Other States were becoming more and more able to supply their own needs for manufactured goods ; and soon they would become bitter rivals in the remaining markets of the world. Already Great Britain was living partly on tribute from overseas ; soon her lop-sided industrial system would tumble down as its props—the markets of the foreigner—were one by one withdrawn. Private enterprise would be utterly unable to hold its own in the pitched battle of economic forces ; and to the Socialists would fall the task of reconstructing the industrial order on a new foundation.

So men spoke and thought in the unemployed troubles of the eighteen-eighties. The boom of 1889 seemed but a temporary halt upon the road to ruin ; and the slump of the early 'nineties followed hard upon it. But thereafter came an amazing recovery. The last years of the nineteenth century and the first thirteen years of the twentieth made up, despite the continued alternation of relatively good and bad times, on the whole a period of astonishingly rapid advance. In 1890 exports of British goods were valued at £263,000,000. In 1900 they were valued at £291,000,000, in 1910 at £430,000,000, and in 1913 at £525,000,000. In 1890 British exports had been worth £7 per head of population ; in 1913 they were worth £11 10*s*. In 1890 British shipowners had five million tons of steamships ; in 1913 they had over eleven millions. Imports, no doubt, had risen as well—from

£420,000,000 in 1890 to £768,000,000 in 1913 ; but in face of the rapidly mounting exports it was impossible to talk really convincingly about the impending downfall of British Capitalism.

If the eighteen-eighties were the season of the great depression, the opening years of the new century were assuredly that of the great recovery. The prophets of evil had been cheated again ; and the great Victorians turned once more in their graves and lay quiet, reassured that progress was a reality after all. And yet nothing that was fundamental appeared to have changed ; Great Britain was prosperous in spite of the conditions which, a while before, had seemed to threaten her with imminent ruin. Germany and the United States had not ceased to develop their own power of industrial production ; increasingly they were making for themselves what previously they had bought from Great Britain. Nay, more—Germany, if not America, not content with supplying her own markets with goods competitive with British products, was becoming a powerful rival in almost every market and almost every branch of export trade. Tariff walls had not been lowered, but raised even higher to Great Britain's apparent disadvantage. The old British monopoly was gone. In nearly every commodity, some other nation was disputing fiercely her command of the available markets of the world.

And yet, by any ordinary standard of measurement, Great Britain was more prosperous than ever before. Tariff Reformers, playing with percentages, could indeed show that British trade and production had failed to advance nearly as much per cent. as those of Germany and America. The Free Trader was on solid ground when he replied to these percentages with actual amounts. In volume and value of trade and manufacturing production Great Britain, despite the loss of her monopoly, still led the world.

How had this miracle happened, and the pessimists of the great depression been proved so signally in the wrong ? One country's gain, it appeared, was not of necessity another's loss. The more Germany made for herself and the more she exported to markets which had been Great Britain's prerogative, the better customer of Great Britain she became. Not quite the same could be said of the United States ; but our trade with other parts of the American continent was more than enough compensation for the slackening of the United States demand. The Indian market had

expanded beyond all belief; Australia and South Africa were taking more and more British goods; and new and promising markets, as well as sources of vital raw materials, were being opened up in tropical Africa and elsewhere. The world was a bigger place, economically, than the Victorians had ever discovered. We were finding out that new markets could be developed to take the places of the old.

Even the Tariff Reformers, though they continued to use the argument that the country was going to the dogs, now based their case rather on the gigantic possibilities of an Imperial *Zollverein* than on the need for a protective dyke to keep out the floods of economic ruin. The deserted tanneries of Bermondsey might serve the purpose of a bye-election candidate or a *Daily Mail* leader; but the real case for Protectionism was based on hopes rather than fears. Free Trade statisticians, like Professor Bowley, had little difficulty in beating the Tariff Reform pessimists clean off the field; the optimistic Imperialists gave them more trouble. For the demonstration that we had not been ruined was no answer to the reformer who had preferred to know how to make us much richer still.

> " Wider still and wider
> Shall thy bounds be set.
> God, that made thee mighty,
> Make thee mightier yet! "

None the less, all was not well. For there was one class—and that by far the greatest—that could not be shown to share in the great prosperity which the Free Traders so easily demonstrated to exist. It was easy enough for Professor Bowley to show that real wages had risen even during the long depression of the later nineteenth century; it was by no means easy to show that they were still rising in the twentieth. During the long period of falling prices from the later 'seventies to the later 'nineties, real wages had undoubtedly risen, but had done so mainly because of a rapidly falling cost of living. Prices, however, both wholesale and retail, had touched bottom about 1896, when the great downward movement of the latter decades of the nineteenth century came finally to an end. Thereafter, the cost of living began definitely to rise. Between 1896 and 1907 wholesale prices,

according to the Board of Trade index, rose by 20 per cent., and retail food prices in London by 14 per cent. Money wages, according to the same authority, also rose by 14 per cent., but practically the whole of this advance took place before the end of 1900, and from 1900 to 1906 money wages actually fell, while retail prices rose. The set-back to the working-class standard of life was, indeed, slight, and both price and wage movements seem insignificant in comparison with those of later years. But the point is that the long-continued advance in the standard of life, which had continued through the era of falling prices, came decisively to an end, and the workers, used to a slowly rising standard, found themselves faced with a real, though still slight, decline in their purchasing power.

This was the flaw in the Free Trade argument, seen from the working-class point of view. It did not, indeed, as was seen in 1906, cause the workers to accept the protectionist alternative ; but it did, to a growing extent, set them looking for an alternative of their own. Modern British Socialism may have been a child of the depressed 'eighties ; it certainly throve on the revival which followed.

Moreover, to those who looked beneath the surface, the situation was not so reassuring as the trade statistics made it appear. The British producer was, indeed, competing successfully with his newer rivals, and to some extent increasing his trade because of the growth of theirs. But he was, because of competition, trading on a narrower margin, and less willing to incur higher wage costs which might hamper him in his competition with the foreigner. In the period of falling prices, the workers had done well if they could keep wages relatively stable ; but now they needed wage advances to compensate them for rising prices—and advances were not easy to get.

Nor was an analysis of the trade returns so comforting as a study of the mere totals of British exports. Great Britain had found Germany an increasingly good customer ; but the Germans were buying from Great Britain less manufactured goods and far more coal. Our exports of machinery had, indeed, nearly doubled in value between 1900 and 1913, and our exports of cotton goods and yarns had grown in hardly less proportion. But of the latter advance a good deal was due to a great rise in cotton prices, and

the quantity exported had increased far less than the value. Our exports of coal had risen enormously in both quantity and value ; but the coal trade was highly unstable from year to year, and what was to happen when Germany and other countries had been given time for an adequate development of their own fuel resources ? The country, if its prosperity could be measured by the trade returns, was doing excellently in 1910 and more than excellently in 1913. But were there not reasons for disquiet about the future ? And could the workers be expected to rest satisfied with a prosperity in which, even after the belated wage advances of 1911–13, they had practically no share ?

The statistics of the Liberal economists provided, for the workers, neither food nor lodging. And the workers wanted a fuller ration of both. Therefore, despite the national prosperity, there swept over the country, in the years immediately before the Great War, the biggest movement of unrest since the days of Owen and the Chartists. There was an " epidemic " of strikes in nearly every trade ; and fresh winds of economic doctrine blew into Great Britain from overseas, sweeping away the comfortable acceptances and complacencies which had survived both the great depression and the onslaughts of the Socialist pioneers.

This unrest, though it found its most significant expression in the world of Labour, was by no means purely economic. It flamed up, no less, in the passionate excesses of the militant Suffragists, and in a ready questioning of established doctrines and prejudices of every sort. George Bernard Shaw, the idol-breaker of the 'nineties, became a prophet to more than a narrow circle ; H. G. Wells, in his novels and social tracts, became the leading populariser of a new type of semi-scientific scepticism groping after new constructive ideals ; G. K. Chesterton, breaking with the Liberal *Daily News*, brandished a flaming sword side by side with Will Dyson in the live, irresponsible, exuberant pages of the *Daily Herald*. There came a sense of great things stirring in the world, and of old things crumbling before their onset.

And then, after repeated martial alarums and excursions, came the Great War, threatening with its fierce atavisms to sweep all these new things away. The race of men ran mad, tearing down a civilisation whose foundations had been, without it, none too

sure. Four years of horror, and a staggering forth into a changed world.

But this is to anticipate. What concerns us here is that prehistoric age before 1914—the age of the Pankhursts and Jim Larkin, of Suffragism and Syndicalism, of H. G. Wells's best novels and Will Dyson's cartoons. An exciting age, an age of new tidings, an age whose influences we can see still at work among us to-day. But an age how different from ours, alike in its mental attitudes and in the economic situation which it had to face!

Briefly, in the first part of the volume, we shall trace these developments from the special standpoint of the British working-class movement. Out of the deceptive quiet of the first years of the new century we shall see growing the great unrest. We shall find Trade Union membership more than doubled in a few years; strikes unprecedented in number and animated by an essentially new spirit; a new assertion by the bottom dog of his claim to be considered as good as other men, and of no less account—the outward signs of a great inward change in the make-up of Society. But first let us survey the calm before the storm, that orderly return of Victorian progressivism that gave so little hint of the strains and stresses that were speedily to follow its apparent triumph.

BOOKS

Bowley. National Progress in Wealth and Trade.
Waters. The Economic Development of Great Britain and the Colonies.
Cole. The World of Labour.
Wells. Tono-Bungay, Mankind in the Making, etc.

CHAPTER II. THE RISE OF THE LABOUR PARTY.

1. The New Socialism—The Fabians and the Independent Labour Party
2. The Taff Vale Case
3. The Growth of the Labour Representation Committee

I

The New Socialism—The Fabians and the Independent Labour Party

In the closing sections of the second volume of this study, the growth of the new political movements which led up to the Labour Party was briefly surveyed. The new Marxian Socialism of H. M. Hyndman and the Social Democratic Federation, the idealistic revolutionism of William Morris and the Socialist League, the intellectualised and opportunist Socialism of the early Fabians, the mobilisation of the " New Unionists " under the Socialist banner by Keir Hardie and the Independent Labour Party, all went to the making of the new working-class political movement. We saw, especially, the I.L.P. first supplant the Marxian Social Democratic Federation in the effective leadership of British Socialism, and then set patiently to work to bring the Trade Unions into active collaboration for the forming of an independent working-class political party. Finally, we saw its efforts crowned with success, and, in 1900, the Labour Representation Committee launched on its career. Keir Hardie had realised his dream of the " Labour Alliance." The Trade Unions had not, in so many words, accepted Socialism, but they had been detached from their old allegiance to Liberalism and successfully persuaded to throw in their electoral lot with the Socialist Movement. The great Miners' Federation, indeed, still stood aloof, and maintained its Liberal connections. But elsewhere the Socialist victory appeared to be decisive.

The Socialism which triumphed in the formation of the Labour Representation Committee was, however, a Socialism *sui generis*—a peculiarly British product. Continental Socialism was almost everywhere, apart from certain Anarchist tinges, purely Marxian in ideas and outlook. It was based definitely on the doctrine of the class struggle, and accepted the Marxian economic and historical analysis as the essential basis of its teaching. The

Democratic Federation, pioneer of modern Socialism in Great Britain, had indeed set out on its career with a minimum of doctrinal equipment, and had owed at the outset as much to Henry George as to Karl Marx. But very soon it had adopted the entire Marxian gospel and, under Hyndman's leadership, constituted itself the expositor of Marxism to the British workers. Thus, for a few years, British Socialism had taken a turn which united it closely to the Socialism of the Continent, for the Socialist League was, on the surface at any rate, as Marxist as its larger rival.

This, however, was not for long. The Marxists of the S.D.F. and the Socialist League had a big share in creating the " New Unionism " of the 'eighties, especially through the part which they played in the unemployed troubles of 1886–7. But having helped to create, they could not control. Neither the New Unionism of the miners, dockers and gasworkers nor the widespread sympathy which flowed out towards its efforts for a raising of the " bottom dog " was fundamentally Marxist. The movement among the masses, in so far as it was Socialist at all, created a Socialism almost without doctrines ; and the new Socialism of the intellectuals began far more as an ethical than as an economic movement. It owed more to Mill than to Marx, and, if it sought a radical reconstruction of the social system, was strongly disinclined to accept the class-struggle as the instrument of change.

Two bodies above all are typical of this peculiarly British kind of Socialism, and these two bodies exerted a powerful influence not only on the general movement of opinion, but also on each other. The Independent Labour Party, led and personified from the first by Keir Hardie, sought above all to make Socialism a broad, human movement on behalf of the bottom dog. It was not Social Democracy in the Marxian sense ; it was rather Radicalism adopting a Socialist policy as the means to a more equal distribution of wealth and happiness. It gathered up into its ranks a great mass of ethical as well as economic discontent and aspiration—the Trade Unionist sick of the narrow exclusiveness of the older craft Unions, the middle-class sympathiser whose generous impulses led him to throw in his lot with the poor and needy, the intellectual who realised the bankruptcy of the older parties in face of the growing need for a collective control over the immensely complicated forces of the economic system, the seeker

after a new way of life to whom the great depression had laid bare the illusions of Victorian progress. A sufficiently heterogeneous mass out of which to make an effective and coherent party, and clearly a mass likely to be welded together more by opportunity than by doctrine.

If the I.L.P. expressed the soul of the new ferment, the Fabian Society aspired to be its brain. First founded in 1883 as a "Fellowship of the New Life"—a tiny group of intellectual idealists brought together by the "wandering scholar," Thomas Davidson—the Fabians soon broke sharply away from their origins, and developed as a small intellectual group intent on working out the mechanics of the new society they felt to be growing up around them. They became Socialists less by spiritual conversion than by a process of intellectual conviction. It seemed to them obvious that the gross inequalities of wealth and opportunity must be put right by better social organisation, and they set themselves deliberately to think out the means of change. Moreover, being middle-class people, mostly in a settled way of life, they were not in a hurry. They could think in centuries or at least in decades, while the weltering mass of New Unionists was compelled by its economic position to think in terms of immediate remedies and alleviations. Their name, "Fabian"—from Fabius Maximus, the "Delayer," the great Roman general—expressed their conviction that they could afford to wait.

The Fabian Society was a very small body, which owed its influence to the intellectual quality of its membership. Mr. and Mrs. Sidney Webb, Bernard Shaw, Mrs. Annie Besant, Prof. Graham Wallas, and its other leaders, were persons of really outstanding ability, whose collaboration, continued over a series of years, was singularly fruitful. *Fabian Essays*, edited by Bernard Shaw, and published for the Society in 1889, is the most important single publication in the history of British Socialism. It, and the long series of *Fabian Tracts*, had a tremendous influence on the development of British Socialist thought and policy. Above all, they profoundly affected the growth and policy of the Independent Labour Party.

Hardie and the I.L.P. were a genuine and influential movement lacking a clear or constructive policy; the Fabians were a group of highly intelligent leaders lacking a rank and file. They

helped and mutually formed each other. If there had been no I.L.P., the Fabians might easily have become a group of influential theorists wholly unconnected with the working-class movement, or at least no more connected with it than Jeremy Bentham was with the followers of Cobbett and " Orator " Hunt. The existence of the I.L.P. led them away from theorising to the formulation of a practical and constructive programme which they could persuade the I.L.P. to accept. For a long time, indeed, they did not throw themselves whole-heartedly into the working-class movement. They were sceptical of the early attempts to form a Labour Party independent of Conservatives and Liberals alike, and disposed to prefer a policy of permeating the existing parties with Socialist ideas. But the I.L.P. was, above all other bodies, the most natural and the easiest for them to permeate ; and to it a large and growing part of their effort was directed. There were no such obstacles in the way of its permeation as prevented the Fabians from bothering their heads much about the Social Democratic Federation.

For the Fabian Society was from the first, and has remained, aggressively non-Marxist in its habit of thought. It built its economics from the top of an orthodox ladder, whose rungs were Ricardo, Mill and Jevons. It rejected with scorn the Marxian theory of value, to which the economic knowledge of British Marxists was apt to be confined, and was profoundly uninterested in the class-struggle as an expression of the Materialist Conception of History. It thought, indeed, in terms of social evolution, as Marx did ; but its evolutionism came from Darwin and Spencer and Huxley, and not from Hegel and Marx. In short, it rooted itself firmly in British ways of thought, and visualised Socialism as arising rather by a natural and gradual development of British institutions and tendencies than by any process of catastrophic change. It set itself not to smash the capitalist State, but to turn it, in accordance with the needs of the times, into the State of Socialism. It set out rather to use than to destroy things as they were.

This Fabian Socialism, clear-cut and closely reasoned, largely provided the I.L.P. leaders with just what they had lacked—a policy applicable to their immediate situation and yet wide and far-reaching enough to make an idealistic appeal. It was the

Fabian Society that chiefly taught them, instead of awaiting the complete nationalisation of all the means of production, distribution and exchange, to think in terms of piecemeal nationalisation, and especially of the " gas and water " Socialism of municipal enterprise. It was the Fabian Society that chiefly set them off to capture municipal government with the aim of using it as an instrument for the achievement of some measure of constructive Socialism. The Fabians, it is true, did not need to teach the New Unionists to look to the State as an instrument of social reform. That lesson, through long decades of factory agitation, had been learnt already. But they did give form and precision to the demand for the legal eight-hour day and the legal minimum wage, which became the corner-stones of immediate I.L.P. policy. The I.L.P. would doubtless in time have hammered out a policy for itself even without the help of the Fabians. But this does not lessen the decisive influence which, largely through the I.L.P., Fabianism has exerted on the development of British Socialism.

Neither of the Fabians nor of the I.L.P. can the influence be at all measured by numbers. In 1889, when *Fabian Essays* were published, the Fabian Society had only 150 members. Even in 1900 it had only about 850. The I.L.P. in 1900 still numbered only a few thousands. But, while the Fabians included in their ranks the men and women who were actively thinking out the new Socialist policy, the I.L.P. included in the main just those who were best placed for securing its adoption—the younger leaders in the Trade Unions, the active promoters of every phase of working-class activity, the men and women who, mostly without aspiring to creative leadership, were ready to put in hard work and make great personal sacrifices for the cause in which they believed.

This it is that explains how this handful was able, in less than ten years, to bring the Trade Union Movement round to the acceptance of independent working-class representation in Parliament, and of the " Socialist Trade Union Alliance " as the means of achieving it. It was not easily done ; and success, when it came, was not at once complete. But the doing of it at all was a very great achievement ; and in the successful formation of the Labour Representation Committee Keir Hardie and his colleagues felt a not unnatural elation.

What had they done ? They had made a new Socialism, violent sometimes in its expression, but essentially moderate and evolutionary in its conception of social change ; British to the backbone in its policy and methods of expression, however internationalist and pacifist in its outlook ; simple enough to be easily and widely understood, and so undefined in its doctrinal basis as to make recruits readily among persons of quite different types. There were weaknesses in these very sources of immediate strength. But it is certain that on no other basis could British Socialism have grown so rapidly or won so soon the alliance of the Trade Unions.

Armed with this new Socialism, the I.L.P. set to work to bring the Trade Unions round, if not to a declared faith in Socialism, at least to the formation of an independent working-class political party. Year after year they hammered away at the Trades Union Congress, learning by their early mistakes to put less weight on personal attacks upon the older leaders, and more on the promotion of Socialist resolutions upon questions of policy. This grew the easier for them as, with the help of the Fabians, their own practical policy became clarified. Above all, they pressed steadily for the creation of the new party, till at last, in 1899, they secured the passage of the resolution under which the Labour Representation Committee was formed in the following year.

As we saw in the previous volume, this did not mean at once the creation of a definite Labour Party. Independence of other parties was indeed proclaimed ; but this was not to exclude arrangements or coalitions. The " out-and-out " Socialist basis demanded by the Social Democratic Federation was rejected equally with the proposal of the " Old Unionists " to limit the platform of the new body to purely industrial questions, so as to leave each member free in general politics to follow his own line. There was no explicit declaration of Socialist faith ; and the L.R.C. began life not as a clearly defined party, but merely as a group. Last, but not least, there was still no general levy on the whole of the members even of the Trade Unions which became affiliated to the L.R.C. Hardie and his friends had drawn the Trade Unions officially into politics on at least a semi-independent basis. But the miners and some other big Unions remained aloof ; and the new body could not feel at all sure of the continued or whole-hearted allegiance even of its nominal constituents.

Circumstances, however, favoured the new movement, and enabled it to gain rapidly in strength and prestige. And the men who had made it were quick to seize opportunities when they arose. James Ramsay MacDonald, a relatively unknown man before 1900, became the first secretary of the L.R.C., and steered it with unwearying adroitness through its early troubles. But above all it was helped by the new embroilment of the Trade Unions with the law. The Taff Vale Case created the Labour Party, and brought Keir Hardie's work within a few years to a point which without it would have been far harder to reach. But equally, unless Hardie and his friends had first created the L.R.C., the development of the Labour Movement after Taff Vale might have taken quite a different turn. It took the Taff Vale Case to " make " the Labour Party ; but its foundations were laid, with the help of the Fabians, by the " New Unionists " and the I.L.P.

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II

The Taff Vale Case

The Taff Vale Case, which cost the Amalgamated Society of Railway Servants £50,000 and " made " the Labour Party, arose out of a local dispute. In 1900, without authority from their Society, the railwaymen employed by the Taff Vale Railway Company in South Wales came out on strike. At this time, except in one instance, railway Trade Unionism was still wholly unrecognised by the railway companies, which maintained that a *quasi*-military discipline, inconsistent with Trade Union organisation, was essential for the proper conduct of the service. The only important railway strike before 1900, that of the Scottish railwaymen in 1890, had ended in the complete defeat of the Scottish Railway Servants' Union and its absorption into the English Society. The railway " all grades " movement of 1897 had not been pushed to the length of a strike. The Taff Vale's General Manager, Mr. Beasley, was therefore acting in accordance with the traditional railway attitude in making up his mind to fight the strike with every weapon within his reach.

His first effort was to secure enough " blacklegs " to maintain a service in spite of the stoppage. This brought the Amalgamated Society of Railway Servants officially upon the scene. Although the Society had not authorised the strike, it now granted strike pay to the men who were out, and sent its General Secretary to South Wales, where he played a part in dissuading the company's blacklegs from going to work. There was also, on the part of the strikers, a certain amount of tumultuous picketing, and some acts of violence were done; but it was never alleged that the Trade Unions in any way instigated or authorised these acts. The Taff Vale Company, however, apart from prosecutions brought against individual strikers, decided to proceed against the Amalgamated Society of Railway Servants itself. Two actions were begun. An injunction was sought to restrain the Society

and its officers from committing acts calculated to damage the company in its business, or, in other words, from trying to stop the blacklegs from working during the strike. And, secondly, the Society itself was sued for damages caused by the actions of its officers and members. Both actions were successful. The injunction was granted, and the company got £23,000 in damages from the Society, the decision being upheld, after a succession of appeals, by the House of Lords.

In order to explain the sensation caused by this judgment, it is necessary to cast our minds back to the Trade Union legislation of the 'seventies. It had been generally accepted, until the Taff Vale Case, that no such actions as were now successfully brought against the Railway Servants could be sustained in any court. Indeed, it is on record that Mr. Beasley actually brought his actions in face of the advice of the Taff Vale Company's lawyers. The reasons for this belief were twofold. In the first place, despite proposals to the contrary, the Acts of 1871–76 had definitely withheld from the Trade Unions the rights and responsibilities of "incorporation." These Acts had removed the criminal taint previously attaching in some measure to combinations of employers and workmen, had given Trade Unions in certain respects a defined legal status, including the right in property cases to sue and be sued in the courts, and had legalised not only the existence of Trade Unions, but a number of things essential to their effective conduct. They had, at the same time, explicitly barred the direct enforcement in the courts either of any internal contracts made by the members of Trade Unions—about rights to benefits, for example—or of any collective agreement between a Trade Union of workers and an employers' association. It had been generally supposed, though it now appeared that the belief had no legal ground, that the denial of "incorporation" definitely excluded the sueing of a Trade Union in its registered name or in any collective way for any wrong not explicitly mentioned in the statutes. The Trade Union Acts were believed, by implication though not in so many words, to bar any such action as the Taff Vale Railway Company had now successfully brought.

It is, indeed, almost certain that this was the intention of those who framed and passed the Acts of 1871–76. But the develop-

ment of legal practice in the last quarter of the nineteenth century had materially altered the situation. The lawyers, much troubled to square with their principles the growth of large numbers of powerful unincorporated associations doing important acts and owning substantial property, gave during this period a rapidly extending sphere of operation to what is known as a " representative action," by means of which an unincorporated association can sue or be sued in the name of one or more of its officers or members on behalf of the membership as a whole. According to the earlier legal theory, the law had recognised only on the one hand individuals and on the other corporations—collective persons definitely endowed by statute or charter with the legal attribute of corporate personality. Municipal Corporations, and the great Guilds and Livery Companies, Colleges and other privileged institutions acting under royal charter, and such special creations as the Bank of England and the East India Company, are leading examples of this type of collective legal personality. To these were added, during the nineteenth century, various new types, including joint stock companies incorporated under the Companies Acts and a large number of public utility companies incorporated under special statutes. The corporation proper loomed larger and larger in English law as the century advanced.

But there was at the same time an immense growth of voluntary associations of the most diverse types, and it became more and more difficult for the lawyers to follow the practice of treating all these merely as crowds of individuals, whose collective existence the courts would not recognise at all. Hence the growth of the " representative action," which enabled their existence to be recognised where the lawyers thought fit. This growth was entirely apart from any cases affecting Trade Unions as such. Nor was the point specifically raised in the Taff Vale Case, in which the Union was sued, not in a " representative action," but in its registered name.

There can, however, be little doubt that the changed attitude of the courts to unincorporated associations in general influenced the judges' decision in this case. It would clearly have been of no advantage to the Trade Union to be immune from an action brought against it by name, if it had been liable to precisely the same damages as a result of a " representative action." But for

the growth of " representative actions " it is very doubtful if the Judges would have held that a Trade Union could sue or be sued at all, save in the quite minor cases specified in the Act of 1871. But, as the " representative action " opened the way to bringing the Trade Union effectively into court, the judges had little difficulty in reaching the conclusion that it could sue or be sued by name as well. In granting to it the rights accorded by the Acts of 1871–76 Parliament, they held, had given to it, not incorporation, but enough of a corporate character to enable it to sue or be sued in this way. Its appearance by name in the courts had been explicitly recognised in certain cases ; and, if in these, why not in others ?

It is probable, then, that the judges, though their decision caused almost universal surprise, were right in their interpretation of the law. This, however, did not make the matter any the less serious for the Trade Unions. For the judgment struck at the essential basis of all strike activity, and threatened not only the Trade Union funds available for strike payments, but also those destined for the payment of friendly benefits of every kind. Every strike caused damage to someone, or, at least, if it did not, it would usually stand no possible chance of success. And now no one could tell what limits the courts would set to the civil liability of Trade Unions for damages caused by strikes conducted by their orders or with their countenance.

The question, it must be emphasised, was one of civil, and not of criminal, liability. It had been well understood before the Taff Vale Case that individual Trade Unionists or officials were liable to prosecution for criminal acts committed in the course of a trade dispute, such as acts of violence in connection with picketing. Indeed, the interpretations placed by the courts on the picketing clause of the Conspiracy and Protection of Property Act of 1875 had already given the Unions substantial grievances, for which they were seeking redress, before the Taff Vale troubles began. During the Taff Vale strike, undoubtedly certain acts of violence in connection with picketing did occur, though these were not countenanced by the Union ; but the Taff Vale judgment itself was grounded, not on these isolated acts of violence, but on the civil damage caused to the railway company by the strike itself and by the attempts of the Union and the strikers even peacefully

to deter blacklegs from accepting employment. It was not alleged that these acts were in any way criminal; but on them was successfully based a civil action for damages against the Union itself, as well as an injunction calling on the Union to refrain from repeating them.

If these non-criminal acts constituted, as the courts now held, a civil wrong, for which the Unions could be assessed in damages, what could a Trade Union safely do? What ordinary incidents of a trade dispute might not be construed as wrongful interference with the employer's trade or business? Might not all picketing, lawful for the individual picket, expose the Union to a civil action for damages? Might not every attempt to bring pressure to bear on the employer by organised action be similarly regarded by the courts? The Trade Unions were well aware that the judges had no love for them or for their methods. The law would certainly not be strained in their favour; and it might very well be strained against them.

Of course, it would have to be shown, before the Union could be made liable, that it had been in some way responsible for the wrong done. It would have to be demonstrated, to the satisfaction of the court, that the persons who actually committed the wrong had acted as the Union's agents. But this was cold comfort. Apart from the fact that the Unions themselves desired to do many of the things which the courts had declared to be wrongs, and could scarcely conduct a dispute at all without doing them, would not the courts be inclined to hold the Unions responsible for all the actions of their members in relation to the Union's affairs, or at the very least for all the actions of all their branch officers and representatives? But all these actions, taken by many thousands of individuals up and down the country, the Unions could not possibly hope to control.

The Taff Vale judgment therefore struck at the roots of all effective strike action under Trade Union auspices. As long as it remained the law of the land, no strike would be safe except a purely unofficial movement conducted without any organisation at all behind it. The entire right to strike, conceded in 1824 and, as it was believed, triumphantly reaffirmed in the legislation of 1871–76, was not merely jeopardised, but virtually abrogated, by this one decision of the courts.

It was obvious that the Trade Union Movement must bestir itself in order to get the effects of the judgment reversed by fresh legislation. And it was natural that the Unions should turn, apart from the direct pressure which they could exercise on the older parties, to the newly created Labour Representation Committee to help them in their trouble.

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III

The Growth of the Labour Representation Committee

The Labour Representation Committee began its work under very difficult conditions. Within a few months of its formation it was in the thick of a General Election—the " khaki " election of 1900. The Boer War was in progress, and, in the country as a whole, war sentiment was strong. The Socialist bodies, the I.L.P. and the S.D.F., had taken up a strong anti-war attitude; and a substantial section of the Liberals, headed by John Morley and Lloyd George, had adopted a similar position. The L.R.C. was naturally unprepared with any long list of candidates, and had practically no money. Its whole income for the year 1900–01 amounted only to £243. It was therefore in no position to finance candidatures, but only to give endorsement to those financed by the separate bodies of which it was made up. In these circumstances, it was thought highly satisfactory that fifteen L.R.C. candidates went to the poll.

The War being the dominant issue in the elections, the question at once arose of common action among the Liberal and Labour anti-war candidates. No official decision was taken on this issue; but the *Labour Leader*, the official organ of the I.L.P., supported collaboration, and this, left to the discretion of local bodies, was largely practised. Consequently, there were only five three-cornered fights out of the fifteen, and the L.R.C.'s two successes were both scored with some Liberal support. Richard Bell, the railwaymen's secretary, was elected at Derby without Liberal opposition, and Keir Hardie won the double constituency of Merthyr in informal alliance with D. A. Thomas, afterwards Lord Rhondda, the great coalowner, who was a strong opponent of the War. The third candidate, whom Hardie defeated by a large majority, was a " Liberal Imperialist " and a supporter of the War.

These were the only L.R.C. successes, though John Burns was

again returned for Battersea, and Broadhurst, Burt, Cremer, Fenwick, Pickard, and John Wilson were elected under Liberal-Trade Union auspices. All these last, except Broadhurst (a mason) and Cremer (a carpenter), were miners. But though the L.R.C. won but two seats, its candidates polled well, with a total of 62,000 votes and an average poll of 35 per cent. of the votes cast in the fifteen constituencies fought. There were in addition a number of " straight " Socialist candidates ; but none of these was elected. Actually, the number of working-class representatives in the House of Commons was lessened by five ; for several of the older " Lib.-Labs." were beaten. But this was a cause of no regret to the supporters of the L.R.C.

The interest of the first six years of the new party's life is to be found rather outside than within the House of Commons. In face of the parliamentary situation, it was impossible for Hardie and his one colleague, even if they had seen eye to eye, to do more than skirmish. Richard Bell did indeed score an immediate success by blocking a Bill promoted by the Great Eastern Railway, and so helped to defeat a project under which a compulsory scheme of contributory pensions without any control by the employees was proposed ; and Hardie indefatigably made propaganda speeches and impressed his abilities on the House and the country alike. But both before and after Joseph Chamberlain's severance from his colleagues on the question of Tariff Reform the parliamentary situation was unfavourable to the pushing forward of distinctively working-class claims. The Education Act of 1902, which laid the foundations of public secondary education, the Factory Act of 1901, which was mainly a consolidating measure, and the Unemployed Workmen Act of 1905, the first faint recognition of a public duty towards the unemployed, were the chief social measures of the 1900 Parliament.

It was outside the House of Commons that the Labour Representation Committee grew to be an important body ; and the growth hardly began until the Trade Union Movement had been effectually roused by the Taff Vale decision. At first prospects looked bad. In 1901, the Miners' Federation decided to launch a common political fund for the promotion of miners' candidatures throughout the coalfields ; but this was done wholly apart from the L.R.C., and the miners' candidates were left free to run as

Liberals, or in any other affiliation they might choose. In the same year the Social Democratic Federation decided to secede from the L.R.C. Its delegates had taken part in forming the new body; but the S.D.F. Conference now seceded because their resolution in favour of basing its policy on the " class-war " had been rejected. Moreover, when at the L.R.C. Conference of 1901 the Fabians proposed the institution of a compulsory levy on the affiliated societies, this plan was rejected as premature, though it was obviously essential to the success of the movement. The membership of the affiliated societies was only 376,000 in 1900–01, and 469,000 in 1901–02, out of a total Trade Union membership of about two millions. The income only rose from £243 to £343 in the latter year.

In 1902, however, thanks largely to the Taff Vale decision, the tide began to turn. During that year a number of Trade Unions started political funds of their own, and, encouraged by this development, the L.R.C. Conference instructed its executive to prepare a scheme for a general levy in readiness for the next year. Moreover, in 1902 the L.R.C. scored its first by-election success, D. J. Shackleton being returned unopposed for Clitheroe under its auspices as the nominee of the cotton operatives. The cotton Trade Unions, which had hitherto held aloof—the general secretary of the cotton spinners had even stood as a Conservative in 1899—began to come in. For 1902–03 the affiliated membership nearly doubled, rising to 861,000. The L.R.C.'s income rose to £800.

1903 brought further successes. Will Crooks won Woolwich with some Liberal support, and Arthur Henderson at Barnard Castle was the first L.R.C. candidate to succeed in a three-cornered fight, against both Liberals and Conservatives. The Newcastle Conference adopted the proposal for a levy, though this was fixed on a voluntary basis and at the rate of only one penny per member per year—a suggestion by Mr. Henderson to ask for a shilling a member being decisively rejected. At the same time, the policy and constitution of the L.R.C. were thoroughly overhauled. Messrs. Henderson and Crooks, among others, had supported Liberal candidates, though not from the Liberal platform, at by-elections where there was no Labour candidate. These events led to a stiffening of attitude. Candidates and executive

members were definitely instructed that they must not identify themselves with any other party, and it was decided to exact from successful candidates a pledge either to abide by the decisions of the parliamentary group or to resign their seats. This latter resolution, carried in face of executive opposition, was rescinded the following year ; but the prohibition of connection with other parties was maintained. On the other hand, an attempt from the Socialist side to secure for candidates the right to describe themselves as " Labour and Socialist," instead of plain " Labour," was rejected at the Newcastle Conference of 1903.

At the Trades Union Congress the same year an unsuccessful attack was launched upon the now prosperous policy of the " Labour Alliance." A proposal was put forward seeking to confine membership of the L.R.C. to active Trade Unionists only, which would have excluded both Hardie and Ramsay MacDonald, as neither of these was either working at a trade or a full-time Trade Union official. This was an amendment to a resolution calling on the Trade Unions to support the L.R.C. ; but the amendment was rejected, and the resolution approved, by a large majority.

Up to this point the L.R.C.'s status in relation to the Trades Union Congress had been somewhat anomalous. Created by the Congress, it was no part of Congress, but a wholly separate body with a different membership. Nevertheless, Congress was still vaguely supposed until 1904 to preserve some sort of undefined jurisdiction over it. At the 1904 Trades Union Congress, however, resolutions dealing with the status and policy of the L.R.C. were ruled out of order, on the ground that it was an " outside organisation " over which Congress could claim no authority. This settled the question. Thenceforth, though the two bodies often worked in conjunction, their entire independence of each other was fully recognised.

This emancipation of the L.R.C. was partly due to accidental circumstances. Richard Bell, one of the two L.R.C. candidates returned in 1900, had been for some time at variance with his colleagues on a number of points. The crisis came in 1904, over a by-election at Norwich. The L.R.C. candidate was defeated ; and Bell wired congratulations to his successful Liberal opponent. On this and other matters resolutions were to have been moved at

the Trades Union Congress censuring Bell's attitude ; but Bell, who was himself Chairman of the Congress, ruled them out of order. This left the problem of dealing with him to the L.R.C., and Bell, in accordance with the Newcastle decision, ceased to rank as a Labour representative.

Apart from this incident, the chief events of 1904 were the placing of the parliamentary levy on a compulsory basis—which raised the income of the L.R.C. to over £12,000 in 1905–06—and the withdrawal of the rule that L.R.C. Members of Parliament must either obey party discipline or resign. In the following year, a final attempt to exclude the Socialist societies and put the L.R.C. on a purely Trade Union basis was defeated. When at last, at the end of 1905, the Conservative Government resigned, the L.R.C. entered the new General Election as a Labour Party in all but name.

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CHAPTER III. 1906 AND AFTER

1. The 1906 Election—The Trade Disputes Act
2. Labour and the New Liberalism
3. Internal Labour Politics—The Osborne Judgment

I

The 1906 Election—The Trade Disputes Act

The General Election of 1906 brought the Liberals back to power with an overwhelming majority, large enough to make them independent of both Nationalist and Labour support. It also created the Labour Party as an effective parliamentary force. In 1900 the Labour Representation Committee had secured the return of two members; in 1906 its representatives numbered twenty-nine. The miners' group, still outside the L.R.C., but disposed to act with it on many questions, rose from five to fourteen, and there were about a dozen "Lib.-Labs." of varying complexions in addition. Thus the increase was not in L.R.C. representation alone, but in working-class representation generally. The sensational victory, however, was that of the L.R.C., which came back to the new Parliament a compact and powerful force which the older parties were at length compelled to take into account. Its new position was signalised in the same year by a change of name. The Labour Representation Committee became, in name as well as in fact, the Labour Party.

This astonishing advance was, doubtless, due primarily to the working-class resentment caused by the Taff Vale decision and the determination to get the law relating to trade disputes satisfactorily amended. But the victory certainly could not have been won without a great deal of Liberal collaboration. Only five of the twenty-nine successful candidates of the L.R.C. had Liberal opponents, and in nearly all the unsuccessful three-cornered contests the Liberal was ahead of the Labour candidate. The Labour successes were, in fact, largely a part of the great Liberal victory of 1906. But, while this must be conceded, it must also be remembered that the Liberals would not have made way for so many Labour candidates unless they had regarded Labour help as important enough to be worth buying at a high price.

The Liberal victory was, of course, among the most astonish-

ingly complete reverses of fortune in British political history. The Conservatives had been continuously in office for more than ten years; and, although they were expected to suffer a set-back, nothing like the great Liberal sweep was expected. The Conservative Government, however, had been not only incompetent and weakly led, but also torn asunder by the great Tariff controversy which followed Chamberlain's resignation in 1903. They had declared against Free Trade, but hesitantly ; and many of them fought half-heartedly and without a programme. The Liberals, on the other hand, like Disraeli after 1867, were prepared to bid high for working-class support and able to combine this appeal with the old appeals to Nonconformity and Free Trade. The " Chinese Labour " issue played some part in the election ; but the outstanding issues were Free Trade and Social Reform.

The Labour politicians, for their part, were in most cases fully prepared for informal collaboration with the Liberals. Though the leading Trade Unions, except the miners, had been persuaded to set up a separate party, many of their leaders, as well as of the " rank and file," remained essentially Liberals ; for the Labour Party had neither made nor required any explicit declaration of Socialist faith. The Fabian Society, though it was affiliated to the Labour Party, included a good many Liberals in its ranks, and some of these actually stood as Liberal candidates in the 1906 election. Moreover, the Labour leaders wanted social and industrial reforms which had been long held up by Conservative predominance, and wanted above all the drastic reversal of the effects of the Taff Vale judgment ; and it was plain that none of these things could be secured except by Liberal help. The Labour Party was firm in maintaining its formal independence ; but, this conceded, it was ready for a substantial measure of common action.

The Liberals, on their side, were alarmed in the midst of their triumph—perhaps unduly alarmed—at the Labour Party's sensational growth. Shortly after the election they made an attempt to organise a Liberal-Labour League based on the " Lib.-Lab. " Members of Parliament. But this project was abortive, presumably because the miners refused their co-operation, and instead the miners and the other " Lib.-Labs." formed a separate Trade Union group in the House, and worked in close

conjunction with the Labour Party over the Trade Disputes Bill. After 1907 this Trade Union group gradually died away. When, in 1909, the Miners' Federation at length officially entered the Labour Party, the remaining " Lib.-Labs.," joined by a few miners who refused to come over to the Labour side, were to all intents and purposes completely absorbed into the main body of Liberalism. " Lib.-Lab.," as a distinct group label, had practically ceased to exist before the General Election of 1910.

The first task of the new Labour Party was to get the effects of the Taff Vale decision removed by fresh legislation. In 1903, the Conservative Government had appointed a Royal Commission to consider what action should be taken in face of the decision ; but the body consisted mainly of lawyers, and no Trade Unionist was given a seat, though Sidney Webb was among the members. The Trade Unions, on this ground, refused to give evidence before it. By accident or design, the Commission's Report was delayed until after the General Election of 1906, so that it fell to the incoming Liberal Government to deal with the situation.

The Report, when it at length appeared, fell far short of the Trade Unions' demands. It proposed to limit the liability of Trade Union funds to actions definitely authorised, or at least not definitely repudiated, by the Trade Union executive concerned ; but, subject to this restriction, the liability of the Unions was to remain unaltered. Individuals were indeed to be protected against actions for damages based solely on the fact of their interference, in contemplation or furtherance of a trade dispute, with someone else's business, employment, or " right to dispose of his capital or labour as he wills." Acts which an individual might commit without fear of legal proceedings were not to become actionable merely because they were done in combination. And finally, in connection with picketing, " peaceful persuasion " was to be explicitly legalised, as it had been as long ago as 1859, but not in either 1871 or 1875.

Some of these provisions were fairly satisfactory to the Trade Unions. But the main thing they wanted was complete security for their funds ; and this the Commission was very far from conceding. When, therefore, the Liberal Government introduced a Bill following fairly closely the lines of the Commission's Report,

the entire Trade Union Movement was speedily up in arms. The Labour Party, with almost unanimous Trade Union support, pressed strongly for its own alternative Bill, in which it was laid down simply that " an action shall not be brought against a Trade Union . . . for the recovery of damage sustained by any person or persons by reason of the action of a member or members of such Trade Unions."

As soon as the Government produced its Bill, it appeared that the Trade Unions had done at the General Election a good deal of effective work besides promoting the return of their own candidates. A very large number of Liberal Members, it was found, had pledged themselves to the complete reversal of the effects of the Taff Vale decision. Not a few Conservatives, hard driven by Trade Union pressure in the constituencies, had done the same. The Government was unwilling to incur the unpopularity of resisting the Trade Union claims. It hastily dropped overboard both the Royal Commission's Report and its own scheme, and capitulated almost entirely to the Trade Unions. There was no effective opposition, and when the Trade Disputes Act became law, it included the famous " section 4," which gave the Unions practically all they wanted: " An action against a trade union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade union, in respect of any tortious act * alleged to have been committed by or on behalf of the trade union, shall not be entertained by any court."

The remaining clauses of the Act of 1906 did not depart so widely from the terms of the original Government Bill. Their scope was slightly widened, so as to give the Unions fuller satisfaction; but no vital changes were made in the original draft, which was itself a sufficiently vital change from the law as it stood. The Unions were granted freedom in contemplation or furtherance of a trade dispute, but not otherwise, to interfere with other people's trade or business, or their right to dispose of their capital or labour at will. The law of peaceful picketing was redrafted almost in the terms which the Unions desired, and the principle was laid down finally that in civil, as in criminal, matters

* A tort is, in effect, any civil wrong (as distinct from a criminal act) other than breach of contract.

relating to trade disputes, men could not become amenable to the law merely by reason of acting in combination. But these sections passed almost unnoticed in the hurricane of argument which speedily burst round " section 4."

This section, it was widely urged, especially by lawyers, who were almost solidly hostile, placed the Trade Union in a privileged position above the law. The Union's immunity was not even, in this section, explicitly limited to acts done " in contemplation or furtherance of a trade dispute." Trade Union funds were simply and comprehensively protected from all risk of civil proceedings either by way of direct action against the Union or by way of " representative action " against certain of its members. Henceforth, it appeared, a Trade Union was free to commit, with very few exceptions, whatever civil wrongs it might choose, without exposing itself or its officers to any risk of an action at law.

The question was, of course, only one of civil liability. If the officers or members of a Trade Union committed any criminal act, either on behalf of the Union or otherwise, " section 4 " gave them no protection. But the fear of the Unions was of civil actions directed to the spoliation of their funds ; and this fear the section seemed completely to remove. Later events have, indeed, suggested that the courts may hold its scope to be narrower than appears by ruling that it applies, by implication, only to acts done in connection with trade disputes, or only to actions done by the Trade Union in a distinctively " trade union " capacity, and that the Act might possibly have been held not to apply at all to certain types of dispute, such as the General Strike of 1926. But these possible limitations were not thought of at the time ; and the section therefore appeared to confer an exceedingly wide privilege.

The Trade Unions, in fact, in their mood of 1906, would accept nothing short of what they believed to be complete escape from the nightmare which had haunted them since the Taff Vale decision ; and the extreme difficulty of drafting any less comprehensive alternative which would give them a reasonable measure of protection served to strengthen their hands. They secured a concession which was regarded as anomalous, because no one could devise an alternative method of meeting even their more obvious grievances.

The difficulty, indeed, arose from the anomalous position which

Trade Unionism as a whole occupies in the modern community. The strike and lock-out are, on the face of it, ridiculous things. It would be absurd, in any reasonably ordered society, for men to settle their differences by such means. But society, organised as it is, has been unable to find any third alternative to the slavery of forced employment by a master and the recognition of the right to strike. If this right is recognised, the rights necessary in order to make it effective must be recognised as well. Every strike, or nearly every strike, is aimed at coercing someone to do what he does not want to do by inflicting some damage upon him. If such damage is to be actionable, clearly in effect the right to strike is taken away. Nor is this all. If the right to strike is to be effective, the Trade Unions must be free to exist, to build up funds, and to organise for strike action. This involves freedom to proselytise the non-unionist, and to conduct peaceful picketing. It further involves freedom to induce breach of contract; for otherwise the employer will tie down his "blacklegs" by contracts which will make it unlawful for the Unions to proselytise them or persuade them to abstain from working. And it would be very difficult to draft a clause which effectively conceded these rights and yet fell much short of "section 4."

The alternative, often considered from 1871 onwards and as often rejected, of making the Trade Unions definitely corporate bodies, is not really an alternative at all. For, whether they are corporate bodies or not, the problems mentioned above have still to be faced. Without the immunity conferred by "section 4," or something closely resembling it, they would be unable to build up any stable funds; and this would not only stop their activities as benefit societies, but also, in effect, negative the right to strike.

There is a further point in justification of the obduracy of the Unions in resisting any compromise on this question of liability of their funds. No one who studies the history of the Trade Unions' legal experiences can doubt that the judges have, again and again, been actuated by a strong anti-Trade Union bias. Any compromise would therefore have been likely to be interpreted in the courts in such a way as to concede as little as possible to the Trade Unions. The only effective way of tying the judges' hands was to get a simple and inclusive declaration from which legal subtleties would offer no way of escape. This the Unions

sought to do ; but the Astbury judgment of 1926, to which reference is made hereafter, serves to show that not even the most far-reaching clause is proof against unexpected judicial interpretation

In 1906, however, both the " General Strike " and the Trade Union Act of 1927 were still very far off. In the eyes of all, the Trade Unions appeared to have won a complete and unequivocal victory and to have more than wiped out the effects of the Taff Vale decision. This result brought great credit to the Labour Party. In 1907 its affiliated membership rose to over a million, and its income exceeded £15,000. Two years later the accession of the Miners' Federation brought the " Lib.-Lab." period of Trade Unionism finally to an end, and made it nearly as representative of the Trade Union Movement as the Trades Union Congress itself. The Trade Disputes Act was won largely by electoral pressure on Liberal candidates, combined with the impressive demonstration of the Labour victories in the General Election. But the Labour Party reaped the benefit of the success. At the end of 1906 its prestige was very great, and high hopes were widely entertained of its future.

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II

Labour and the New Liberalism of 1906

Ten years of opposition had, by 1905, deeply changed the policy of the Liberal Party. Side by side with old Gladstonians, like John Morley, were new Liberal Imperialists, like Asquith and Sir Edward Grey, on the one hand, and new Radicals, like Lloyd George, on the other. The Prime Minister, Campbell-Bannerman, had, on the whole, Radical sympathies ; and the Liberals collectively were prepared, as we have seen, to bid high in order to retain their hold on the working-class electorate. They had not given up hope of attaching the Trade Unions once more firmly to the Liberal cause, or even of making the Labour Party itself a semi-dependent wing of the Liberal Movement.

Inevitably, the first affair to be settled was that of the right to strike. We have seen how this was dealt with by an almost complete yielding to Labour on the main issue in dispute. This concession naturally increased the inclination of the Labour Party to work in with the Government ; and during the early years of the new Parliament there were few occasions on which the two parties were decisively at variance. If the Labour Party occupied seats on the Opposition side of the House, this was rather because the huge Liberal majority left no room on the Government side than because Labour felt itself definitely in opposition. Indeed, after the first General Election of 1910, when the Liberal majority had been heavily reduced, the Labour Party moved across to new seats below the gangway on the Government side.

The years from 1906 to 1909 were rich in measures of social reform. In 1906, though the Government's chief measure, an Education Bill dealing mainly with the religious question in schools, had to be withdrawn owing to a dispute with the House of Lords, a number of important measures were passed. The Merchant Shipping Acts were amended ; the Education (Provision of Meals) Act allowed feeding of school children by the

Education Authorities in cases of distress ; the Workmen's Compensation Act granted compensation rights to all manual and many non-manual workers, and extended the right to certain specified industrial diseases, as well as accidents ; and, lastly, under pressure from the Labour Party, £200,000 was voted in aid of relief works for the unemployed under the Unemployed Workmen Act of 1905.

1907 was less productive, yielding only the Education Act which established school medical inspection ; but in 1908 came the granting of Old Age Pensions and the Coal Mines (Eight Hours) Act, for which the miners had been struggling for a generation or more. In 1909—the year of Lloyd George's famous " Penal Budget "—came the Housing and Town Planning Act, the Trade Boards Act, the fruit of the long agitation against sweated labour and for a legal minimum wage, the Labour Exchanges Act, forerunner of the system of unemployment insurance, and a remodelling of the Fair Wages Clause in response to Labour pressure.

The year 1910 was fully occupied by the controversy with the House of Lords over the Finance Bill. Two General Elections were fought on this issue, and it was not until the Parliament Act had been passed in 1911 that the Government was able to resume its social programme. Then came the Coal Mines Regulation Act and Lloyd George's National Insurance Act, incorporating in one measure the two essentially different schemes of Health and Unemployment insurance. In the same year the Shops Act granted the long-sought half-holiday, and Payment of Members was introduced. By this time, however, the Government had largely exhausted its impetus towards social legislation. Apart from the Coal Mines (Minimum Wage) Act, the direct outcome of the miners' national strike, 1912 produced no important social measure. 1913 brought only a slight extension of the Trade Boards Act to a number of new trades, and a small measure amending the Industrial and Provident Societies Acts at the request of the Co-operative Movement, while the first half of 1914 was almost barren.

Though the Liberal impulse had thus died away after 1911, the social legislation passed during the first six years of office represents a substantial achievement. This legislation falls roughly

into two periods. Up to and including 1909 the Government was engaged in promoting social measures which the Labour Movement desired to strengthen, but not to alter. There was difference about the pace, but not on the whole about the direction, of reform. After 1909, on the other hand, Liberal social legislation took a course which sharply divided the Labour Movement on questions of principle. The Coal Mines (Eight Hours) Act, the Workmen's Compensation Act, the Trade Boards Act, and Old Age Pensions had received practically solid Labour support, though the Labour Party would fain have made many improvements in the actual measures passed. The National Insurance Act, on the other hand, while it received a large amount of Trade Union support, was on the whole opposed by the Socialists on grounds of principle, and denounced as " Bismarckian State Socialism " and as a step towards the establishment of the " Servile State."

This difference is important. The Labour Movement was practically united in demanding State action for the protection of working-class conditions and the uplifting of the bottom dog. It pressed steadily for the universal application of the legal minimum wage, for the State regulation of hours and conditions of labour through Mines, Factories and Shops Acts, for a satisfactory system of workmen's compensation, and for an improvement and extension of public education. But, apart from plans for nationalisation which were not regarded as immediately practicable, the Labour Party's primary measure was the Right to Work Bill, which it reintroduced session after session under different names and in different forms. The basic principle of the Bill, prominent in all Socialist agitations since the unemployed troubles of the 'eighties, was the duty of the State to find either satisfactory work or, in default of work, adequate maintenance for all its citizens. Keir Hardie had been, from his first election to Parliament in 1892, above all the spokesman of the unemployed; and the Right to Work Bill carried on his tradition, and summed up the Labour Party's conception of the State as a co-operative undertaking with responsibility for securing to all its members the conditions of a good life.

The Liberals, though in sanctioning such measures as the Trade Boards Act they had moved very far from their old indi-

vidualist tradition, would have nothing to do with the Right to Work Bill, which they denounced as sheer Socialism. The State, in their view, had no such duty as the Labour Party suggested. It might step in to save the bottom dog from sufferings dangerous to society as a whole, or even on purely humanitarian grounds. But each man's life was his own responsibility and not the State's; and the " Right to Work " seemed to the Liberals a flat denial of all the doctrines of self-help and incentive to labour which had made our England what it was.

It became more and more evident, however, that in one way or another the Liberals would have to face up to the problem of the unemployed. Good trade in 1906 and 1907 postponed the urgency of the question; but in 1908 and 1909 unemployment rose to nearly 8 per cent., and it became manifest that something must be done if Liberalism were not quite to lose its grip on the working-class electors. The troubles over the Budget of 1909 and the Parliament Act caused action to be deferred until 1911; but then came the National Insurance Act, for which the way had been in part prepared by the Labour Exchanges Act of 1909.

Only Part II. of the Insurance Act—virtually two distinct measures—dealt with unemployment, by setting up for certain trades a system of insurance based on contributions from the workman, the employer, and the State. Part I.—the larger part of the Act—set up a system of National Health Insurance, providing medical and certain supplementary benefits for the great majority of employed persons on the same contributory principle. In the case of both sickness and unemployment, the worker was to be given some measure of security; but the Liberal way of tackling both problems was on the lines of a compulsory self-help. The duty of the State was not to provide for the worker, but, as far as practicable, to compel him to help in providing for himself.

In the Trade Unions, of course, an increasing number of workmen had been making this thrifty provision for both sickness and unemployment solely by their own contributions, and without any aid from either the employer or the State. But only the Unions of relatively well-paid and skilled workers had been able to do much along these lines. The less skilled workers, who often needed the provision most, could not afford to pay contributions which

would enable their Unions to provide such allowances. Their Unions usually paid little beyond dispute and, perhaps, funeral benefit.

To the Trade Unions generally both parts of the National Insurance Act made a considerable appeal. The Unions which already paid benefits saw a prospect of further relief for their members, and of some diminution of their own financial obligations ; while the less skilled Unions saw for their members the prospect of both sickness and unemployment benefits which Trade Union action unaided would never be able to provide. There were many points in the Bill to which the Trade Union leaders took strong objection. But the great majority of them were anxious that the Bill should be passed unamended rather than not at all.

The Socialists, on the other hand, were disposed in most cases, for various reasons, to denounce the Bill. They were strongly opposed to the contributory principle, which they regarded as a denial of the Socialist doctrine that the provision of work or maintenance was a direct obligation on the community as a whole. Moreover, the Fabians regarded Lloyd George's Bill as a Liberal attempt to queer the pitch for the elaborate scheme for the prevention and relief of unemployment which Mrs. Sidney Webb and George Lansbury had recently put forward in the Minority Report of the Poor Law Commission (1909)—a refined and clarified version of the Socialist doctrine of the right to work. Again, many Socialists objected profoundly to the method by which the employer was empowered to deduct contributions from wages, as placing a stigma of inferiority upon the worker and preparing the way for a new plan of financing social measures directly at the expense of the poor. And, finally, Hilaire Belloc had many supporters for his fulminations against a type of public assistance designed only for the poor, and calculated to emphasise their " servile " condition in relation to their masters.

These differences caused the Labour Party to cut a somewhat sorry figure when the Insurance Bill was before Parliament. The majority, Trade Union leaders, supported it, and moved amendments only on particular points. But a small minority, including Philip Snowden and George Lansbury, felt so strongly against the Bill as to oppose it without regard to any party disci-

pline. This placed the party in a considerable difficulty, and helped to undermine its prestige and influence in the country.

The Insurance Act can be accepted as the point at which Socialist and Liberal ideas of social reform clearly diverged. But, as we have seen, the majority of the Labour Party, while they would have greatly preferred a non-contributory measure, in effect supported Lloyd George in Parliament. The very limited extent to which the Labour Party could really be regarded as Socialist began to be plain. As long as the Liberals were either passing social measures on which both Radicals and Socialists were agreed or conducting a battle with the House of Lords there was little to force this question to the front. The Insurance Bill did bring it clearly to light, and compelled all sections of the working-class movement to take stock of their position. There were other things besides the Insurance Bill over which differences hitherto concealed began to take on a threatening appearance. Above all, a change was coming over the industrial situation, and new forces were beginning to stir in the minds of the younger Trade Unionists and "intellectuals." The close alliance of Liberals and Labour which was established in 1906 had become formally closer in the fight over the Lloyd George Budget and the Parliament Bill. It was, from the Liberal standpoint, far more essential after the big fall in the Liberal majority as a result of the elections of 1910. But what had hitherto been generally acceptable, save to a handful of the more extreme Socialists, was now far more widely criticised. The critics were no longer content with a nominally independent party; they wanted a real independence, based on the systematic pursuit of a directly Socialist policy.

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III

Internal Labour Politics—The Osborne Judgment

Some departure from strict chronological order was made in the last section, in order to allow of a clear description of the unfolding of Liberal social policy. The point of cleavage between Socialism and Liberalism regarded as social policies was then placed between 1909 and 1911 ; but it was seen that even in 1911 this could not be identified with a cleavage between Liberalism and Labour. It is rather the point at which others besides a small group of convinced Socialists became clearly conscious of the fundamental difference between the two policies, and criticism of the Labour Party's attitude became widespread in the working-class movement. Long before that there had been rumblings of Socialist discontent, and others besides the Social Democratic Federation had become dissatisfied with the fruits of the " Labour Alliance."

These discontents, however, hardly made themselves felt until the Trade Disputes Act had been finally passed. It was rather from the Trade Union side that the first attack on the " Labour Alliance " came, when in 1907 a renewed proposal to confine membership of the Labour Party to Trade Unionists was only defeated by a narrow majority. But in the same year the onslaught came from the other side, and a movement for an independent Socialist Party was set on foot. The first sign of this movement's advance was the unexpected election to Parliament of Victor Grayson as an Independent Socialist pledged to subordinate all other issues in Parliament to the relief of the unemployed. The " Grayson protest " of 1908 aroused widespread attention. He was out of order, and was suspended by vote of the House, the majority of the Labour Party, which did not recognise him as a member, refusing him support. Grayson thereupon toured the country, raising support for an independent Socialist Party. The result was the formation, in 1909, of the

Manchester Socialist Representation Committee, followed by similar movements in other towns. The dispute waxed hot inside the Socialist societies, and both the I.L.P. and the Fabian Society passed through internal crises arising out of it. At length, in 1911, a Socialist Unity Conference, consisting of the Social Democratic Federation, Blatchford's *Clarion* groups, and a number of dissident branches of the I.L.P. and other bodies, formed the British Socialist Party, in open opposition to the Labour Party. The B.S.P., however, attracted few fresh supporters, and in practice differed little in attitude and policy from the old S.D.F., which was merged in it. Discontent was by this time widespread in the Socialist bodies ; but relatively few were prepared to take the drastic step of severing connection with the Labour Party altogether. Most Socialists, including the great majority of the I.L.P., continued to believe in the " Labour Alliance " as the means of gradually converting the Trade Unions to Socialism.

Before this movement of revolt had got past its initial stage, the law had dealt the Trade Unions a new blow almost as serious as the Taff Vale decision. In December, 1909, it was finally decided in the House of Lords that a Trade Union had no right to spend money in financing the Labour Party, or indeed in any form at all of political activity. Again the brunt of the attack fell on the Amalgamated Society of Railway Servants, in an action brought by Mr. W. V. Osborne, one of its branch secretaries, who sought to restrain it from a form of expenditure which, he maintained, was *ultra vires*. This decision, whatever its legal basis, clearly threatened the very existence of the Labour Party ; for both the party machine and its candidates were necessarily financed mainly out of Trade Union funds. The case had originally come before the High Court in 1908, and the judge had dismissed Mr. Osborne's case. Then Mr. Osborne had appealed, and in turn the Appeal Court and the House of Lords had given judgment in his favour. Other cases rapidly followed ; and one Union after another was restrained by legal injunction from contributing to the Labour Party's funds.

The Osborne Judgment, as much as the Taff Vale case before it, took the Unions by surprise. There had been, before Mr. Osborne was heard of, objectors to the political use of Trade

Union money ; but they had been few, and the cases had been quietly settled. Trade Unions had been using their funds for political agitation at least since the early 'sixties, and for promoting Trade Union candidatures at least since the Reform Act of 1867. Two famous lawyers—Lord Loreburn and Sir Edward Clarke—had both been consulted by the Unions, and had expressed the view that such action was entirely within the law. But the word of the House of Lords was final ; and Trade Unionists had either to give up the Labour Party or to get the effects of the judgment undone.

The judgment itself was none too easy to understand ; for the various judges had given a large number of different reasons for their decision. There were at least two major points involved. Was all political action by a Trade Union illegal, on the ground that it was *ultra vires*—beyond the Union's powers conferred by law ? Or was it merely action through the Labour Party that was illegal, because the Labour Members were bound by a " pledge " to act in accordance with party instructions, and any such " pledge " was contrary to public policy ? The House of Lords decided, by a majority, that all Trade Union political action was illegal. The second question, therefore, did not necessarily arise ; but one of the Law Lords grounded his judgment upon it, and the remarks of others seemed to indicate that Mr. Osborne would have won his case on this ground had not the wider issue taken precedence.

The second question, not striking at the roots of Labour policy, was the easier to deal with. From 1903 onwards, in order to establish a common discipline, the Labour Party had exacted from its candidates a " pledge " of loyalty to the constitution and decisions of the party. The existence of this pledge was widely used as an argument against the party, on the plea that a Member of Parliament should be free to represent his constituents, and could not be free if he agreed to act on the decisions of any outside body, or to accept payment from such a body for his services in the House of Commons. In order to meet these criticisms, the Labour Party in 1911 abolished the pledge, and in the same year, on the introduction of Payment of Members, discontinued the allowances which it had previously paid to candidates elected under its auspices.

The Osborne Judgment as a whole could not be so lightly disposed of. The main ground given by the Law Lords for their decision was that no reference was made to political activity in the defining clause of the Trade Union Act of 1876, and that such activity could not be regarded as a necessary subsidiary to the purposes there mentioned. In other words, the defining clause of the Act of 1876, which amended the definition of 1871, was regarded as laying down all the activities, except purely subsidiary activities, that a Trade Union could lawfully pursue, and all other forms of activity were, by inference at least, declared to be *ultra vires*.

This view was clearly based on treating the Trade Union as virtually, if not actually, a corporate body, owing it entire existence and powers to statute law. In the Taff Vale Case, the judges had already taken a long step towards the proclamation of this doctrine ; and now, despite the definite refusal of the legislators of 1871, 1876, and 1906, to give the Trade Union a corporate standing, the doctrine that it must be treated as a corporation or *quasi*-corporation was definitely laid down by some of the judges. It is difficult to see the justification for this view ; for clearly Trade Unions existed, and performed all manner of functions, before and apart from the powers conferred upon them by the Trade Union Acts. But there is no use in inquiring too closely whether the House of Lords as a court of law is right or wrong ; for, when it has pronounced a judgment, that judgment is the law.

The Labour Party, then, unless it could get the judgment reversed by fresh legislation, was faced with an almost complete disappearance of its sources of income. One by one, its big affiliated Trade Unions were restrained by legal injunction from contributing to its support. At once an agitation was set on foot to demand a complete reversal of the decision, and the Government was approached with a view to the passage of an amending Bill. The Liberals, however, were in no hurry ; for it suited them by no means ill that the Labour Party should suffer from financial embarrassments. Moreover, they could plead preoccupation with the struggle over the Budget, and the need for reducing the pretensions of the House of Lords before attending to any other matter. In 1910 the Labour Party had to fight two successive General Elections under the shadow of the judgment.

Fortunately for it, this was before its central funds had been given time seriously to feel its effect. But the number of Labour candidates in the field was less than it would otherwise have been ; for several Unions had to withdraw their nominees for lack of money.

The General Elections of 1910 were fought virtually by a Liberal-Labour Alliance. In the election of January, not a single member was returned against official Liberal opposition, and in only twenty-six contests out of seventy-eight had the Labour candidate a Liberal against him. The party, reinforced by the miners' representatives, who had joined in 1909, won three seats and lost eight—a net loss of five. It returned to the House of Commons forty strong. In December, 1910, the number of seats contested fell perforce to fifty-eight, and in only eleven of these were Labour and Liberal in opposition. But this time two Labour Members were elected against Liberal candidates, and the net result was a gain of two seats to the party.

As soon as the elections were over the Labour Party, which had done its best under difficulties to keep the issue to the front during the campaign, again demanded the introduction of a Bill to reverse the effects of the Osborne Judgment. But the Liberals, while they promised a Bill, would not agree to a complete reversal ; and for the time the negotiations broke down. Not until 1913 did the Labour Party and the Trade Unions finally accept the compromise embodied in the Trade Union Act of that year.

Under the Act not only was political action allowed, but it was declared that a Union might engage in any lawful activity of any sort duly authorised by its rules. On the exercise of political activities, however, certain definite restrictions were imposed. No Trade Union could engage in such activities unless it first took a ballot and secured a favourable majority of those voting. Special political rules had then to be drawn up, in a form approved by the Chief Registrar of Friendly Societies. All payments for political purposes, as defined in the Act, had to be made out of a distinct political fund ; and, finally, any member who objected to contributing to the fund had, on signing an approved form, to be exempted from all payment towards it without forfeiting any of his rights as a member of the Union, save in relation to the management of this special fund.

This is the compromise, accepted under protest by the Trade Unions, which remained in force until the passage of the Trade Unions and Trade Disputes Act of 1927. It was regarded as unsatisfactory, not so much because objection was taken in fact to the exemption of political recusants as because the Unions resented the imposition upon them of special restrictions which were not applied to other voluntary bodies. They claimed that they had a moral right to take political action as freely as any other society, and that the Act pursued the old policy of the law in placing them under special and onerous disabilities. They complied, however, with the Act; and as in most Unions the number of objectors was relatively small—though it varied widely from case to case—the funds of the Labour Party were not in the long run seriously restricted by the conditions which the Act imposed. Nevertheless, the episode served both to strengthen in the minds of Trade Unionists their rooted distrust of the law in its dealings with organised Labour and to create a coolness between Labour and Liberalism which was not without its effects on later political developments.

While this struggle was in progress the Labour Party was by no means entirely happy in its internal affairs. After the elections of 1910 the Liberals in the House of Commons were actually outnumbered a little by the Conservatives, so that the Government depended for its majority on Labour and Irish Nationalist support. It might be thought that this would have strengthened Labour's hands; but actually it had the opposite effect. The probable result of defeating the Liberal Government would have been a return of the Conservatives to office after serious Labour losses at the polls. For the party which forced yet another election would certainly be unpopular, the electoral understanding with the Liberals would have been broken, and, owing to the Osborne Judgment, the Labour Party had no money. The return of the Conservatives to power would not only have meant the defeat of Irish Home Rule, to which Labour was fully committed, but also the abandonment of all hope of a speedy upsetting of the Osborne Judgment. The Liberals were, of course, well aware of this; they knew that the leaders of the Labour Party did not dare to bring about their defeat. Consequently, they refused to give way over the Trade Union Bill as they had given way in 1906, and were

less disposed to make concessions in social legislation than when they had had a clear majority over all parties combined.

This situation seriously weakened the standing of the Labour Party with its own supporters. The party seemed to be making no headway with the Trade Union Bill and, in fact, to be achieving almost nothing at all. Moreover, its position of dependence on the Liberals led to some awkward incidents. Despite the decision of the Miners' Federation to join the Labour Party, a number of the mining Members of Parliament proved recalcitrant. At least three of the old "Lib.-Lab." contingent, including Thomas Burt, who had first been returned in 1874, definitely refused to come over, and had to be left undisturbed in their seats. Several others, while they stood as Labour candidates in 1910, afterwards fell out with the party over questions of discipline and, refusing to sever their connection with Liberalism, dropped out of the Labour ranks. As late as 1914 Barnet Kenyon, a nominee of the Derbyshire Miners and an official Labour candidate, persisted in accepting the endorsement of the Liberal Association as well, and had to be formally repudiated by the party. There were troubles too about electoral arrangements between Liberal and Labour. When a vacancy arose at Leicester, a double constituency represented by Ramsay MacDonald and a Liberal, the local Labour Party wanted to fight the seat; but the existence of a private arrangement between the two parties to share the representation was disclosed, and led to considerable internal controversy. Events like these stimulated the movement towards a break from the "Labour Alliance" and the promotion of an independent Socialist Party. But, while these movements more and more deeply stirred the Socialist Societies, the bulk of the Trade Unions were little affected by them. There was never much serious prospect of the dissolution of the party alliance of Socialism and the Trade Unions.

There was, indeed, from the purely opportunist standpoint, a strong case for the policy which Ramsay MacDonald and his colleagues pursued. They had no prospect of becoming a Government, and their easiest course was to keep the Liberals in power at any rate till Home Rule had been achieved, the new Trade Union Bill passed, and time allowed for Labour to build up at least the nucleus of a fighting fund. From the purely parliamentary

standpoint, these arguments seemed convincing. The case against them was that, in pursuing this policy, the Labour Party inevitably lost caste in the country, and ceased to stand in the public mind for any independent policy or principle. This was at least a powerful contributory cause of the shifting of working-class activity from politics to industry, and of the great " epidemic " of strikes which spread over the country in the years immediately preceding the Great War.

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CHAPTER IV. THE GREAT UNREST

1. The Seeds of Unrest
2. Syndicalism—Industrial Unionism—Guild Socialism

I

The Seeds of Unrest

In the Trade Union world, the opening years of the twentieth century were a period of "industrial tranquillity." Real wages were going down, and yet there were few strikes or lock-outs. This seems at first sight surprising, for under normal conditions it might have been expected that the workers would have put up a fight. Mining wages, for example, having soared up in the boom year 1900, fell by nearly 20 per cent. between then and 1905. This was a far bigger fluctuation than occurred in any other important industry. Yet even the miners, after an abortive strike in Lanarkshire in 1901 and an unofficial stoppage of pit-boys in the "Federated" English coalfields in 1902, accepted the position, and engaged in no further big strike until 1909. Nearly eleven million days a year had been lost by strikes and lock-outs between 1893 and 1898; between 1899 and 1907 the average was well under three million days.

This quiescence is explained mainly by three causes. The first, and by far the most important, is the Taff Vale decision, which, while it could not prevent strikes altogether, did deter the Trade Unions from attempting any big forward movement as long as it remained in force. The Trade Union leaders had no wish to jeopardise their accumulated funds, which were badly needed for other purposes, by exposing themselves to actions for damages on the lines of the Taff Vale Case. For the time they preferred to hold their hands, in the hope that amending legislation would not be long deferred.

Secondly, the active spirits in the Trade Unions, who would otherwise have been most forward in urging strike action, were during these years busy with the building up of the Labour Representation Committee. Their minds were more on politics than on industry; and they were disposed to put high hopes in

the new party which they had expended so much energy in bringing to birth.

Thirdly, trade conditions, while they were not so bad as to exclude the possibility of forward movements, were until about 1910 on the whole unfavourable to any sustained advance.

After the passing of the Trade Disputes Act Trade Union activity gradually increased. In 1906 there were strikes among the linen and jute workers in Dundee and Belfast, among the Clyde boilermakers, and on a small scale among the engineers in many districts. These were mostly unsuccessful; but in the same year the South Wales Miners' Federation began, by a series of stoppages at particular pits, a successful drive against non-unionism. This policy continued through subsequent years, and spread gradually to other coalfields. In 1907 there were fewer strikes, but far more activity. The Engineers negotiated without a stoppage a new and improved national agreement, and a local engineers' strike at Erith secured the abolition of the premium bonus system, which the employers were at that time making widespread efforts to introduce. There were numerous disputes in the cotton trade, leading to a threat of a general lock-out on the spinning side of the industry; but this was averted at the last moment by a compromise. There were, however, important local stoppages of the Blackburn weavers against bad materials and of the Oldham ring-spinners for higher wages.

The really important dispute of 1907 occurred on the railways. In 1897 the Amalgamated Society of Railway Servants had launched its first "All-Grades Programme." The companies had refused either to recognise the Union or to negotiate in any way; and the railwaymen, who did not at that time feel strong enough to take drastic measures, had postponed further action. The forward movement would probably have been resumed early in the new century; but the Taff Vale affair then made any extensive strike highly dangerous. Consequently, it was not until the Trade Disputes Act of 1906 had cleared the way that the railway workers launched their second All-Grades Programme. This was presented to the railway companies in January, 1907; but the companies persisted in their refusal to recognise Trade Unionism in any form, and would have no dealings with the Society. For six months the A.S.R.S. conducted a campaign of

propaganda throughout the country ; and then, in July, it again approached the railway companies, only to meet with an absolute refusal to negotiate. A strike ballot was taken in September, and an overwhelming majority secured. This led Lloyd George, as President of the Board of Trade, to intervene, and under his auspices the railway companies were persuaded to agree to the establishment of a system of conciliation and arbitration. This was accepted by the A.S.R.S. and the other railway Trade Unions, and the dispute thus ended without any stoppage of work, Lloyd George gaining considerable reputation through his success in effecting a settlement.

The Railway Conciliation Scheme of 1907 was, nevertheless, a most unsatisfactory affair. The railway companies still persisted in their refusal to recognise Trade Unionism in any way ; and the new Conciliation Boards for the railway service were elected by vote of the railway workers without the Unions having any recognised part in their choice. Only actual employees of the various companies could sit upon the Boards ; and the officials of the Trade Unions were thus altogether excluded, even from acting as officers of the Boards or presenting cases before them. Only strong pressure from the Government induced the companies (except the North Eastern Company, which already recognised Trade Unionism) to agree even to this form of collective bargaining. Moreover, the Conciliation Scheme was so devised as to interpose long delays in the way of getting grievances remedied, and to divide the workers on each railway from those on other railways, as well as into a number of distinct groups of grades. It was certain from the first that the scheme of 1907 could not last. Having gained the first step towards recognition, the railway Trade Unions were certain to take the next opportunity of asking for more.

That opportunity, however, did not at once arise. The Boards were elected in 1908, and at once began the consideration of a huge mass of accumulated grievances. But by this time trade was seriously declining. 1908 and 1909 were bad years, in which the average level of unemployment was nearly 8 per cent. Wages, which had risen in 1907, fell again ; and the time was clearly inopportune for big forward movements. The important disputes of 1908 nearly all arose in opposition to attempted reductions

in wages. The woodworkers in the North-East Coast shipyards were beaten by the use of the national lock-out, and the engineers in the same area yielded to the threat of one. In the cotton industry, the spinners agreed to reduced wages without a strike, and the cardroom operatives after a national stoppage.

In 1909 the position was quieter in most trades ; but there was a big outbreak of strikes among the miners. In the previous year, the Coal Mines (Eight Hours) Act had become law. The reduction in hours involved readjustments of wage rates and piecework prices, and over these considerable friction arose, and there were big strikes in Yorkshire, South Wales, and other areas. At the same time, the Conciliation Boards in most of the coalfields awarded substantial reductions in wages on account of the fall in the price of coal, which, despite the abolition of the sliding scale system, remained still the chief factor governing miners' wages.

1910 began with a further crop of mining strikes. In consequence of the Eight Hours Act, the coalowners in Northumberland and Durham introduced large changes in the method of working, including, in many collieries, a three-shift system. This was intensely unpopular with the miners ; and, although their county Associations had agreed, under pressure, to accept the changes, unofficial strikes broke out over a large area in both counties. Receiving no support from their own Unions, the strikers gradually drifted back to work ; and by April the stoppage was over. But it left behind bitter memories, and the new system of working has remained, because of the disturbance of home life which it inevitably creates, extremely distasteful to the rank and file miners.

The mining troubles had scarcely ended, when a serious dispute in the cotton industry began. On the instructions of the Cardroom Amalgamation, a grinder named George Howe refused to carry out certain orders of the firm which employed him. He was thereupon discharged, and all the workers at the mill then struck, demanding his reinstatement, which the firm refused. The dispute dragged on through the summer, and in October the cotton employers, following a practice which has since become common, declared a general lock-out in order to force the men to give way. This action led the Government to intervene, and a settlement was quickly made, the employers agreeing to re-

employ the discharged man at another mill, and the points originally in dispute being held over for subsequent adjustment.

The national lock-out was also used as a weapon by the shipyard employers during 1910. During the summer a number of local disputes occurred among the boilermakers of the Clyde and Tyne. The employers alleged that, in these cases, the workers had failed to observe the terms of the shipyard agreement of 1909; and in September they declared a national lock-out of all members of the Boilermakers' Society in the Federated shipyards. After abortive negotiations between the parties, the Government intervened in this dispute also, and in December an amended agreement, embodying new provisions for the settlement of differences, was accepted by both parties, and the dispute ended.

This catalogue of mainly unsuccessful strikes may seem to have little purpose. But it is an essential preliminary to the story of the next few years. High hopes had been roused by the Liberal and Labour political victories of 1906; but after four years of Liberal government and Labour action in Parliament the workers found themselves, economically, worse off than before. The slight rise in wages during 1906 and 1907 was almost wiped out in 1908 and 1909, and in the meantime there had been a fairly sharp rise in the cost of living. Trade Unionism, after a quick growth in the two former years, was standing still. The workers who struck against reductions in wages were compelled to give way, and found little or no help in the change of Government. It was manifest that, as soon as trade improved, a big forward movement was bound to begin.

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II

Syndicalism—Industrial Unionism—Guild Socialism

The few years immediately preceding the Great War were the occasion of a general ferment of industrial unrest. Strikes not merely increased greatly in number and extent, but also changed their essential character. Trade Unionism woke out of its long quiescence, and became class-conscious, militant, aggressive. Unofficial and spontaneous movements were common ; the old leaders seemed to be losing their grip. Conciliation and arbitration in trade disputes, reformism in politics, were alike severely criticised. A new idea sprang up, and won wide acceptance, of using Trade Unionism not merely as a means of defending wages and conditions, but as an offensive weapon in a war upon capitalist Society. Names and ideas were imported from abroad to convey the new meanings which were struggling for coherent expression. Syndicalism and Industrial Unionism, and later Guild Socialism, became the gospels of the day among the younger Trade Unionists and Socialists. While the Labour Party in Parliament was shaping its course in close alliance with the Liberalism of Lloyd George, Labour in the country appeared to be worshipping new gods, and bent on the creation of a new Society by " direct action."

All this is, of course, an intellectualisation of what really happened. The underlying movement was a mass movement of sheer reaction against the failure of either orthodox Trade Unionism or moderate parliamentarism to secure any improvement in the working-class standard of life. The theorists, working-class and middle-class alike, who sought to give this movement form and direction and to interpret its vague strivings into a new social gospel, never really captured the great mass of the working class. They might lead it in this or that particular struggle, and help to stir up troubles that would not have occurred without their impulsion. But the mass, as ever, was thinking not of Utopia and not even of the class war, but mainly of the immediate issues

involved in each separate dispute. If a new temper was abroad, and the moderate leaders found their control of the movement seriously threatened, this did not imply a wholesale conversion of the British working class to revolutionary doctrines.

The change was, nevertheless, startling enough. Never since the fall of Owenism in 1834 had Trade Unionism been at all widely regarded in England as a positive instrument for the creation of a Socialist Society. William Morris and his followers of the Socialist League had come near this idea in the late 'eighties; but they had never formulated it clearly, and by other Socialists Trade Unionism had either been denounced as a reactionary division of the workers into narrow "craft" sections or regarded mainly as an instrument to be used for the building up of a working-class political party. The former had been the attitude of the Social Democratic Federation in its early years; the latter was characteristic of Keir Hardie and the Independent Labour Party movement. And, in the eyes of orthodox Trade Union leaders, the movement had been no more than a means of maintaining and improving the conditions of employment within the capitalist system.

On all these conceptions of Trade Unionism the new movements declared war. To the moderate Trade Unionist they replied by citing the failure of orthodox collective bargaining to secure, in recent years, any real improvement in working-class conditions. To the Labour Party politician, they pointed out the equal failure of political action to yield either better wages or any vital modification of the capitalist system. And to the remaining upholders of the old S.D.F. attitude they replied that Trade Unionism, though it might have been often reactionary in fact, need not be so if the militants would but set out to inspire in it a different tone and temper. "Direct Action" became the new gospel. No one would or could help the workers unless they helped themselves, by taking into their own hands the task of organising a mass attack upon the capitalist system and all its works.

Elsewhere I have sought to analyse in detail the ferment of doctrine that went to the making and interpretation of this new movement among the workers.* It drew its inspiration from

* In *The World of Labour.*

many sources. In France the Trade Unions, weak in numbers but rich in intellectual leadership, had long been pursuing, largely under semi-anarchist inspiration, a militant policy of guerrilla warfare against the employers and the State. Travelling light, unburdened by friendly benefits such as the older British Unions were accustomed to provide, the French *syndicats* lost little by a defeat, and were able easily to re-form and launch their attacks in a new place. Lacking the British stability, they were far more mobile and adaptable. And they had against them a capitalism far less developed and organised than the British system.

Under their Anarchist inspirers, the Trade Unions of France had denounced working-class parliamentary action as useless, and repudiated all dealings with the Socialist Party. Instead, they had preached a doctrine of " Direct Action," which the theorists of the movement elevated into a " social myth." There were to be strikes and strikes, wearing down the resistance of the employers and the capitalist State, until the great day when the General Strike of all the workers would end the capitalist system and usher in the new workers' Society. In this Society there would be no government and no coercion. Power would pass to the workers, organised in their natural industrial and social groups. The Trade Unions would become the administrative agents of the new social order. Moreover, the new Society would be essentially localised—based on the local fellowship of the workers in a particular place. Only so could the workers act directly, without placing their reliance on the sham of representative democracy. Similarly, Trade Union policy in the present must be based on local action. The Trades Council must count for more than the national Trade Union ; the spontaneity of the movement, and its direct dependence on the rank and file, must be the essential basis of all effective working-class action.

With this Syndicalism from France was curiously blended another stream of doctrine, flowing from the United States. In France, the small employer still predominated ; the American workers were concerned with the gigantic mass-production factory and the trust. In America, accordingly, revolutionary Trade Unionism had taken to some extent a different turn. Active chiefly among the low-paid immigrant workers, and in strong hostility to the moderate policy of the main body of

American Trade Unionists, the Industrial Workers of the World had from 1905 been preaching the doctrine of mass organisation in " One Big Union " based on the direct antagonism of the working and employing classes. Centralisation was the watchword of this movement as much as localism of the French ; but both alike stressed the necessity of Direct Action as the means to social revolution. The workers must not look to the politicians to do things for them, or to build the Socialist State. They must do things for themselves both in fighting the employers under capitalism and in building up the new workers' Society to take its place. For them, as for the French, the ideal in prospect was a Workers' Republic, based on the industrial organisation of the working class. But for one strong centralisation, and for the other guerrilla warfare on a local basis, was the instrument to be employed.

The would-be interpreters and leaders of the Labour unrest in Great Britain seized on these two bodies of doctrine, and set out to make, with their aid, an interpretation suited to British conditions. There emerged a variety of movements, which for a time made up by their ceaseless activity for their lack of coherence and direction. In 1910 Tom Mann, who had been a leader in the great Dock Strike of 1889, returned from Australia and South Africa with vigour unimpaired to become a leader of the new movement. The Industrial Workers of the World had exerted a good deal of influence in Australia, especially upon the miners and transport workers, and Mann returned both well acquainted with their doctrines and with a rooted detestation of the systems of wage regulation and compulsory arbitration in force in the Australian States. Finding Syndicalism widely preached, he incorporated the two doctrines into one, and combined with them his old advocacy of the shorter working day as the first objective of working-class policy. In a series of monthly pamphlets, published during 1911 under the title of *The Industrial Syndicalist*, and in countless speeches up and down the country, he put the force of his eloquence and personality behind the movement for a new fighting Trade Unionism on a class basis. His influence counted for a great deal in the great wave of unrest which swept over the country in 1911.

As soon as the new ideas began to gain acceptance, it became

manifest that the Trade Unions, with their existing structure, were quite unsuited for acting upon them. In almost every industry except the mines, the main body of the workers was split up among a number of sectional and often overlapping Unions organised on a basis of " craft." In the cotton, printing and building industries, for example, each craft or group of crafts had its separate Union ; in the engineering and shipbuilding, as well as in the building, trades, the skilled and unskilled workers were organised apart, and were often on bad terms with each other ; in the transport trades there jostled one another a large number of independent societies organised on almost every conceivable basis.

It seemed, to the advocates of the new ideas, a bounden duty to begin with some attempt at straightening out this tangle. The first step was the formation, in 1910, of the National Transport Workers' Federation, linking together all the heterogeneous mass of Trade Unions in the sea-going, waterside and road transport trades. Powerful movements for promoting amalgamation on industrial lines were launched in the railway, building, printing, engineering and other industries. The " Amalgamation Movement," with connected organisations for the various industries, became the chief outward and visible sign of the growing acceptance of the new militant policy by the younger men in the Trade Unions. " Amalgamation " became almost a synonym for the militant New Unionism of the Syndicalists and Industrial Unionists. " Reform " and " Forward " Movements were launched by the miners in various coalfields ; and in South Wales, where the extremist elements were strongest, a new policy was preached in *The Miners' Next Step*.

Published in 1912, this famous pamphlet attacked, not only the orthodox conceptions of Trade Union policy, but also the policy of nationalisation as preached by the ordinary propagandists of Socialism. For its authors, the State, as well as the employer, was the enemy ; and the means of change was an intensified form of revolutionary industrial action, based on a strong, highly centralised organisation of the workers. By strike upon strike, capitalism was to be made unprofitable, until the miners were able to take the industry into their own hands, and conduct it under a complete system of working-class control. " The Mines for the Miners," said the South Wales revolutionaries ; and cries

such as " The Railways for the Railwaymen " echoed their policy elsewhere. The place of *The Industrial Syndicalist* was taken in 1912 by a new journal, *The Syndicalist*, edited by Guy Bowman, and owing more to French than to American influence ; and there appeared also *The Syndicalist Railwayman*, *The South Wales Worker*, *Solidarity*, and a host of other journals expressing, with varying emphasis, the new ideas.

Meanwhile, in the *New Age*, a small body of intellectuals, ably headed by A. R. Orage and S. G. Hobson, was developing the new doctrines along another line. The *New Age* had long been an acute critic of orthodox Labour policies. It had supported Victor Grayson in the troubles of 1908, and had preached, at least from that date, a doctrine which made economic rather than political action the clue to social change. Gradually, this doctrine emerged as Guild Socialism. It began as a plea by a medievalist craftsman, Arthur J. Penty, for a restoration of the gild system in industry. But after 1911, in the hands of S. G. Hobson and Orage, it became a plea for the capture of control in industry by National Guilds based on, and arising out of, the Trade Unions. The workers, it was urged, should organise not merely for defence but for the winning of control ; the protective Trade Unions should turn into great workers' corporations which would demand and secure from a reorganised State the whole responsibility for the conduct of industrial affairs.

Obviously, this doctrine owed much to French Syndicalism and something to American Industrial Unionism. It took these doctrines, and made of them a new doctrine more directly applicable to British conditions. If it had few direct adherents, their skill and activity made them influential far beyond their numbers in the formation of working-class policy.

These various movements, it should be observed, went on side by side. All of them remained largely formless and unorganised, and all depended for their influence on the existence among the British workers of a great mass of unrest which was not caused, though it may have been accentuated, by their propaganda. They did not create the unrest ; they were only its would-be interpreters and leaders.

The rise of these doctrines, and the unrest itself, profoundly stirred the whole world of Labour. Among the older leaders, both

of the Trade Unions and of the Socialist Societies, they aroused deep hostility. Ramsay MacDonald wrote a whole book against Syndicalism; Philip Snowden, in *The Living Wage*, set out to demonstrate the futility of the strike weapon as an instrument of social change. The Trade Union leaders, roundly denounced by the "amalgamationists," retorted with allegations of mischief-making and treason to the Trade Union Movement. The pursuance of a virtual Liberal-Labour alliance in Parliament coincided with a strike epidemic which the orthodox Trade Union leaders found themselves largely unable to control.

Meanwhile, Trade Union membership was increasing by leaps and bounds. The Trade Unions from 1907 to 1909 had about two and a half million members. By the end of 1911 their membership passed three, and by the end of 1913 four millions. Almost every Union shared in the increase. Greatest among the less skilled types of workers, it was hardly less marked among the engineers and cotton operatives than among the railwaymen, transport workers and general labourers.

Soon, an old dream was realised; and Labour ventured into daily journalism. *The Daily Herald*, beginning in 1911 as a strike sheet, became, under George Lansbury as editor, the organ of all the new movements and tendencies, hitting out lightheartedly at Trade Union leaders and politicians alike, and opening its columns equally to all schools of Amalgamationists, Syndicalists, Industrial Unionists, and Guild Socialists. Living from hand to mouth, and often threatened with death through failure to pay for the next day's paper—let alone the printers' wages—it survived as the rallying point for militants of all schools right through the period of unrest which came to an end with the outbreak of the Great War. Meanwhile, in 1912, the more moderate elements had launched a newspaper of their own. *The Daily Citizen*, under the official control of the leaders of the Labour Movement, competed with the *Herald* for working-class support, and waged, during its two years of life from 1912 to 1914, truceless war on the new doctrines and their exponents.

These were stirring times. The great unrest made the Labour problem beyond dispute the question of the day. The ordinary newspapers were filled with news of strikes and threats to strike. Denunciations of the new extremism were everywhere. But the

ferment of ideas attracted into the working-class movement a rapidly growing body of men and women from all classes and occupations. The Socialist Societies, as well as the Trade Unions, increased rapidly in membership and activity.

The excitement was at its height from the latter part of 1911 to the end of 1913. Thereafter came, as we shall see, a lull. There were signs of a renewal of intense Trade Union activity about the the middle of 1914 ; but at that point the outbreak of war sharply cut the movement short. What would have happened if there had been no war in 1914 the historian need not profess to know. Largely, this would have depended on the course of trade. 1911 and 1912 were both, from this standpoint, good years ; and 1913 was, for most industries, a year of unexampled prosperity. 1914 showed some slight falling off, and it may be that, in August, a trade slump was on the way. At all events, in that month the outbreak of war changed the entire situation. The great unrest did not die ; but it took, perforce, new forms and directions. The story of the years from 1910 to 1914 is a story without an ending ; but in the events of that period can be seen the foreshadowing of much that has happened since the Great War. From this brief survey of the general character of the period we must now turn to a consideration of certain of its outstanding events.

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CHAPTER V. TRADE UNIONISM IN ACTION

1. 1911—The Seamen's and Dockers' Strike
2. The Railwaymen
3. The Miners
4. Larkinism and the Struggle in Dublin
5. The Industrial Council—The Triple Alliance

I

1911—The Seamen's and Dockers' Strike

The great unrest, which had been developing for some time below the surface, burst out in a flood of strikes in the early summer of 1911. Apart from the Cambrian Combine struggle in South Wales, the early months of the year were comparatively free from disputes, the most important being a strike of the London printers for shorter hours. This ended, on the whole, inconclusively, but it was the means of bringing to birth *The Daily Herald* as the first Labour daily newspaper and a vital rallying-point for all the new movements of unrest.

The strike wave, however, began with the seamen. In the summer of 1910 the National Sailors' and Firemen's Union put forward a national programme, demanding the formation of a National Conciliation Board, the granting of a national wage scale and a minimum wage, reform of manning scales and methods of engagement of seamen, and a number of other concessions. The Shipping Federation, which, like the railway companies, had always refused to recognise Trade Unionism in any form, would not even discuss these demands, on the plea that any recognition of seamen's combinations would be subversive of discipline. The Union spent the following months in an active propagandist campaign at all the ports, and then, in June, 1911, declared a national strike. Within a few days the principal ports throughout the country were largely held up by the stoppage. The ship-owners, who had always met attempts at strike action by a systematic resort to blackleg labour, attempted to carry on by this means. But this only served to widen the area of dispute, and within a few days there had been sympathetic strikes of dock-workers at Goole, Hull and other centres.

In order to understand the events which followed, it is necessary to glance briefly at the state of Trade Union organisation among the transport workers at this time. Tom Mann, after his

return to England in 1910, had launched, as we have seen, a campaign in favour of Syndicalism and "Direct Action." The seamen were then busy with their national programme, and Tom Mann, in conjunction with James Havelock Wilson, undertook the work of organisation. But Mann's views were not limited to a seamen's movement alone. Through Ben Tillett, secretary of the Dockers' Union and his old colleague in the Dock Strike of 1889, he set to work to organise a National Transport Workers' Federation, which was formed late in 1910, and included all types of transport workers except the railwaymen. Under the auspices of this body, an active movement of organisation in all the ports went on side by side with the national agitation of the seamen. As there was at the same time acute discontent on the railways with the working of the Conciliation Scheme of 1907, every section of the transport industries was in a mood for trouble when the national seamen's stoppage gave the signal.

The completeness of the seamen's response to the strike call seems to have taken the shipowners entirely by surprise. The Shipping Federation found itself powerless to supply blacklegs in face of a comprehensive national movement. Within a few days, at one port after another, the shipowners began to meet the Union officials and grant substantial concessions, especially in respect of wages, in order to secure a return to work. It became plain that the seamen, thanks to the unexpectedness of their attack and the manifest readiness of other waterside trades to support their claims, were winning a great victory all along the line.

This, however, did not dispose of the trouble ; for in one port after another the waterside trades were coming out, either in sympathy with the seamen or with demands of their own. Even where the strikes were originally sympathetic, the strikers had no lack of grievances, and refused to return to work unless these were put right. There was, however, no national dockers' or carters' programme similar to that of the seamen. The workers in each port, and often each section in each port, formulated their separate demands, or even remained on strike without any clear or definite claims.

The first big dockers' strike, as we have seen, was at Hull. This begun on June 20th, and was settled, by Government intervention,

on July 3rd. But before this, on June 27th, the Manchester dockers had come out, followed a few days later by the carters, including those working for the railways. The Liverpool dockers had just been granted an advance in wages without a strike ; but on June 28th they too struck, in consequence of a dispute over working conditions. At Liverpool work was resumed on July 3rd, on the understanding that negotiations were to be resumed, and an agreement on the disputed points was signed a month later. In Manchester, Government intervention was again needed ; but there too a settlement was reached on July 9th. Although the seamen were still out at some ports, and there were still a number of small dock strikes in progress, the critical phase of the dispute seemed by this time to be over.

In mid-July, however, the waterside workers came out at Cardiff, where the seamen were still on strike. And this affair was scarcely settled when the troubles began in London.

The London dockers, early in the year, had formulated a programme of demands, which later received the endorsement of the Transport Workers' Federation. Under threat of a strike, the Port of London Authority and certain other big groups of employers in the port at length agreed to negotiate, and on July 27th a provisional agreement (known as the " Devonport " Agreement) was reached. This, however, did not cover all sections, and when it was placed before mass meetings of the men strong hostility to the terms of settlement made itself felt. A few days later the coal-porters went on strike, followed immediately by the dockers who were not covered by the " Devonport " Agreement. This grievance was referred to arbitration ; but in the meantime lightermen, carters, stevedores, and other sections of the waterside workers were pouring out, the non-unionists, who were numerous, joining their fellows till the stoppage was practically complete. In these circumstances, the Transport Workers' Federation decided to make the dispute general throughout the port, and decreed that no section should return to work until an agreement had been reached on behalf of all. Again the Government intervened, and under its auspices a long series of sectional negotiations took place. By August 11th agreement had been generally reached, and the Transport Workers' Federation ordered a return to work. But, owing to a series of disputes about the interpretation of the agree-

ments, the resumption was not complete until the end of the month.

The London dispute, like those in other parts of the country, ended in a signal triumph for the Transport Workers' Federation. Recognition of the Trade Unions, hitherto refused by the majority of the employers, was definitely won ; and the general rate of wages for dockers was raised from 6*d*. and 7*d*. to 8*d*. per hour, with advances for the higher-paid workers as well. Conditions of labour were also substantially improved. The transport workers, who had been standing still ever since the granting of the " Docker's Tanner " in the great Dock Strike of 1889, had won a success which resounded through the whole country.

This, however, was by no means the end of the transport strikes. After the brief stoppage at the end of June Liverpool had remained at work. But there was widespread unrest, and Tom Mann, who was leading the movement there, had succeeded in establishing a close working arrangement among the various trades. At the beginning of August the trouble flared up. Angered at the delays and evasions of the railway Conciliation Boards, the railwaymen employed in the goods traffic department of the Lancashire and Yorkshire Railway came out on strike. Two days later they were followed by the dockers, and in the next few days carters, tramwaymen and many other workers joined in the struggle. The port employers at Liverpool replied with a general lock-out, and the Strike Committee thereupon declared a general cessation of all forms of transport in the Liverpool area, the railwaymen coming out with the rest.

How this purely local and unofficial stoppage among the railwaymen developed into the national railway strike of 1911 we shall see later. Here we are concerned only with the fortunes of the local struggle. For some time in August Liverpool was almost in a state of civil war. The military were called in ; there were serious riots and conflicts between soldiers and police and the strikers ; the Government sent a special Commission to enquire into the food supply and the general condition of affairs in the city. Gradually, with the aid of this Commission, settlements were reached for most of the strikers. But trouble arose over the refusal of the City Corporation, backed by the shipowners, to reinstate the tramwaymen who had struck ; and the other trades would not go back

until this question was settled. Tom Mann and the Strike Committee threatened to call for a national sympathetic strike ; and at length, under Government pressure, the Corporation gave way. The strike ended on August 28th.

This turmoil of sudden strikes throughout the country, conducted by workers for the most part poorly organised and regarded as incapable of effective action, took all England by surprise. It recalled the great days of 1889 ; but the new movement was altogether more widespread and on a larger scale. The Government, hampered by the simultaneous occurrence of a serious crisis in foreign affairs, was divided between its desire to avoid trouble at home and its feeling that it ought to take a strong line against manifestations of disorder. The shipowners, after giving way under the influence of the first surprise attack, rapidly repented of their concessions, and did their best in the later troubles to stand out against any yielding to the strikers. In London great meetings on Tower Hill, addressed by Ben Tillett and others, and in Liverpool the eloquence of Tom Mann and his followers, gave the new gospel of industrial action a huge popular audience. The movements of ideas described in the preceding chapter, noticed hitherto only by small minorities, became suddenly widespread in their influence. In a few months, the temper of British Trade Unionism radically changed ; and the easy victories of 1911 seemed to justify all the promises of the new leaders of the masses. But the shipowners were not alone in vowing vengeance : before the troubles of 1911 were over the port employers, in London at any rate, were busily preparing for the " next time."

There was speedily a renewal of trouble. In January, 1912, the Glasgow dockers struck for a wage advance. The strike ended in a compromise ; but after the resumption of work there were further disputes, leading to a lock-out in which the men were worsted. In February, there was an inconclusive stoppage at Manchester on the non-unionist question. In July, there were dockers' strikes at Liverpool and Birkenhead against the new Clearing House scheme designed to reduce the amount of casual labour. The Liverpool men went back almost at once ; but it was a month before the Birkenhead dockers gave way.

By this time London was again in turmoil. Ever since the settlements of 1911 the employers had been doing their best to

undo the effects of the men's victory. They hated the Transport Workers' Federation, and desired, if they could not dispense with Union recognition altogether, at any rate to deal with the separate Unions, and not with a united body. This led to constant friction both over the interpretation of the agreements of 1911 and over the recognition of the " Federation Card " issued by the N.T.W.F. through its affiliated Societies. The employers said they would recognise the cards of the separate Unions, but not of the Federation. The men retorted that they insisted on freedom to organise as they thought best.

The trouble came to a head in May over the question of working with non-unionists. This led to a strike of the lightermen, and to an unofficial sympathetic stoppage of a number of dockers. The port employers refusing to employ only Federation members, the N.T.W.F. hastily called a general strike of all workers at the port, not only on this issue, but also on the numerous grievances about the working of the settlements of 1911. The Govermnent thereupon stepped in, and ordered an enquiry into the causes of the dispute. This resulted in a recommendation that, in accordance with the terms of the 1911 settlement, the points of difference should be referred to the Board of Trade, which accordingly called a conference of the parties. The men accepted ; but the employers, led by Lord Devonport, who was determined to smash once and for all the new militancy of the Trade Unions, refused to attend. The Government thereupon proposed the formation of a joint body representing all the port employers, with a view to a settlement embracing all sections. The employers at first replied evasively, and announced that they could give no promise to reinstate the men on strike. Later they refused to form any joint body, and announced that in no circumstances would they agree to recognise the Federation Card, or even to discuss such recognition. The Government withdrew its scheme, and suggested a series of sectional agreements covering the various trades in the port, with monetary guarantees against breach of agreement. The men, eager for a settlement, accepted the principle of monetary guarantees, but pressed for recognition of the Federation. The employers rejected the entire proposal out of hand.

By this time it had become evident that the London dispute was a life-and-death struggle between the New Unionism on the one

hand and Lord Devonport, the chairman of the Port of London Authority, on the other. Lord Devonport meant to smash the Federation. In these circumstances the Federation, feeling its whole existence at stake, issued on June 10th the call for a national sympathetic strike of transport workers in all the ports.

The call to strike at once revealed the real weakness of the Federation. The transport workers had won their victories in 1911 by local action, and their movement was still essentially local in feeling. The Federation as a body had little strength outside London ; and the various Trade Unions were not ready to risk their existence in order to support the Londoners, who were, moreover, largely organised in separate Unions of their own. About 20,000 transport workers in the provinces responded to the strike call ; but the great majority remained at work. The seamen, who had been angered earlier in the year by the refusal of sympathetic support to a movement of their own, refused their backing. The provincial strikers, conscious of failure, were compelled after a few days to go back to work.

Meanwhile, the port employers were using every effort to man the port with blacklegs, and refusing to have any dealings with the strikers except after an unconditional return to work. By the end of June it had become clear that the strike was broken, and on July 27th the Strike Committee ordered a general resumption. There was some delay in obeying this order, and many conflicts between strikers and blacklegs occurred. But the men were beaten, and they knew it. By the second week of August the dispute was wholly at an end.

Thus Lord Devonport and his fellow-employers had their revenge for the discomfiture of 1911, and the real weakness of the spontaneous movement which had sprung up at that time stood revealed. The New Unionism had received a serious check, and the leaders had been compelled to realise that only detailed organising work and closer Trade Union unity could make safe the gains won by a surprise attack. After the defeat of 1912 the Transport Workers' Federation settled down to an attempt to consolidate its strength. There was no really big strike movement among its members between 1912 and 1914. The biggest—a successful strike of the Hull dockers for higher wages in July, 1913—was a purely local affair.

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II

The Railwaymen

Ever since the settlement of 1907 unrest on the railways had continued to grow. The Conciliation Scheme by means of which Lloyd George secured a patched-up settlement in that year satisfied nobody. The principle of recognition, for which the Unions were above all contending, had not been conceded ; and on the Conciliation Boards the workers' representatives, with no Trade Union officials to put their case, were at a serious disadvantage. The machinery of the Boards, moreover, was intentionally made slow and cumbrous ; and the men alleged that the railway companies systematically obstructed its working. Every case had to go first before a Sectional Board and then, on appeal, before the Central Board for the railway concerned. If the Central Board failed to agree, the dispute had to be referred to arbitration. Each railway company stood entirely apart ; there was, as the Unions were still not recognised by the companies, no means of raising general issues affecting all railways alike. And, finally, the scope of the Boards was restricted to questions of wages and hours ; and no form of collective bargaining was recognised by the companies on any other issue.

It had been agreed in 1907 that the Conciliation Scheme should remain in force for a minimum period of six years. There was, therefore, no means of securing any change without breach of agreement. This explains why, despite the strong feeling among the men, the Unions officially had taken no action, and it was left for an unofficial and unauthorised stoppage to raise the question in a practical form. The strike at Liverpool was speedily followed by similar strikes at Manchester and many other places ; and within a few days it became obvious that the railway Trade Unions would have either officially to recognise the movement or to lose all influence over their members. Hastily the executives of the four railway Trade Unions met in conference, and on

August 15th announced an immediate national strike unless the railway companies agreed to meet them and negotiate. This the companies still refused to do. The Government thereupon intervened with an offer, if the men would return to work, to set up a Royal Commission to consider the question of amending the Conciliation Scheme ; but, as the companies still refused a meeting, the Unions rejected this offer, and on August 17th declared a national strike.

The stoppage was not complete ; but it effectively held up a large part of the main line traffic, about 145,000 railwaymen ceasing work at the Unions' call. The Government continued its efforts to promote a settlement, and, under its auspices, the companies at last, on August 19th, empowered representatives to meet the spokesmen of the Unions. At this meeting, on the same day, a settlement was reached.

Under the terms of settlement a Royal Commission was to be appointed, and the major questions at issue were deferred pending its report. Meanwhile, work was to be resumed, and all the strikers were to be reinstated without penalties for any breach of contract which might have been committed. All grievances affecting men covered by the Conciliation Scheme were to be referred for settlement under it, and the grievances of workers outside the Scheme, which applied only to the traffic grades, were to receive consideration. But no form of Trade Union recognition was conceded ; the companies undertook to meet only their own employees, and not the representatives of the Unions.

In accordance with this agreement, work was generally resumed, though there was a temporary hitch on the North Eastern Railway, which had a conciliation scheme of its own, and was not a party to the settlement of 1907. This matter, however, was adjusted, and the Royal Commission began its work. Two months of quiet followed ; but when, on October 18th, the Commission produced its Report, the trouble began afresh. On November 2nd the Trade Unions rejected the Report and, through the Government, demanded an immediate meeting with the companies for discussion of its terms. The companies flatly refused to meet the men, and the Government took their part. The Unions thereupon decided to ballot their members on the question of renewing the strike. The Labour Party moved in the

House of Commons a resolution condemning the companies for their refusal to agree to a meeting for discussion of the Report; and an amended resolution, calling for a meeting "to discuss the best means of giving effect to the Report," was carried and forwarded to the companies, which thereupon agreed to attend a meeting held under Government auspices. After difficult negotiations, the meeting arrived at a settlement on December 11th, modifying the terms of the Report in certain directions desired by the Trade Unions. The strike threat was then definitely removed.

The new Conciliation Scheme, though it was in certain respects better than the old, was still far from meeting the Trade Unions' demands. The Sectional Boards for particular grades were retained, as under the old scheme, with two vitally important changes. The Central Boards were abolished, and instead each Sectional Board was provided with an independent chairman, who was given the full powers of an arbitrator if the two sides disagreed. And, although all recognition of Trade Unions as such was still refused, the workers' representatives on each Sectional Board were allowed, if they so desired, to choose a secretary from any source they thought fit. This in effect enabled the Trade Union officials to come in as secretaries to the Boards, and in nearly all cases this was done when the scheme was put into operation. The scope of the Boards was widened so as to include conditions of labour as well as wages and hours; but questions of "discipline and management" were still excluded—a provision out of which endless troubles subsequently arose. Moreover, in the absence of Trade Union recognition, the workers were still compelled to deal with any question they wished to raise by the deeply resented method of deputation to the management. There were the seeds of further trouble in the amended Conciliation Scheme of 1911, almost as much as in the scheme of four years before.

For the time, however, the question was settled; and the strike of 1911 made a huge difference to the status of the railwaymen in relation to their employers. The companies, though they persisted in their refusal to recognise the Trade Unions, had, in fact, been compelled to negotiate with them; and their attitude had been explicitly condemned by the House of Commons. Moreover, the railwaymen had successfully asserted their right to strike

—a right which the companies had always vehemently repudiated as destructive of all discipline—and had, after a national strike, secured complete reinstatement without penalties and a substantial victory on the points at issue. It is not surprising that they were encouraged by their success, or that railway Trade Unionism leapt suddenly from a position of backwardness and comparative insignificance to the front rank of the Trade Union world.

In the year or two following the national railway strike of 1911 the railwaymen as a whole were decidedly " uppish." In 1910, all the railway Trade Unions together, including the Railway Clerks' Association, which was not directly involved in the strike of 1911, had only 116,000 members. This had risen to 184,000 by the end of the following year, and by 1914 to 337,000, which made the railwaymen, after the miners and the cotton operatives, the largest group in the Trade Union world. And these new Trade Unionists were keen to use their power. There was no repetition until 1919 of the national strike ; but in the sustained industrial conflicts of 1912 and 1913 the railwaymen again and again played a part.

This arose largely through the growth of the idea of " sympathetic " action. The sympathetic strike had been a powerful factor in the success of the strikes of 1911, and thereafter it was preached by the adherents of the " New Unionism " as a weapon to be freely used in industrial conflicts. The railwaymen were constantly receiving requests from workers on strike to refuse to carry " tainted " goods, *i.e.* goods consigned to or from a works at which a dispute was in progress. The systematic adoption of such a policy would clearly have involved them in practically every trade dispute ; and the Union leaders accordingly took a strong line against it. But, in the prevailing excitement, spontaneous strikes and refusals to handle " tainted " goods were of fairly frequent occurrence, and continued right through the period of unrest.

In addition there occurred in 1912 one important stoppage among the railwaymen on a grievance of their own. A certain Driver Knox, employed by the North Eastern Railway, was convicted on a charge of drunkenness, and was thereupon reduced in rank by the company. His fellow-workers, alleging a miscarriage of justice and further that in any case the offence had been com-

mitted off duty, struck work to the number of over six thousand. The Government intervened, and ordered a special Home Office enquiry into the case. As a result of this, Driver Knox was reinstated ; but the Unions agreed that the strikers should be fined a week's pay in lieu of proceedings for their breach of contract in leaving work without notice. In this strike, most of the press was vehemently hostile to the men, and the affair was denounced as a strike for " the right to get drunk." On the other side the strike was no less strongly defended, on the ground that the company's action was an attempt to interfere with the private lives of its employees outside their hours of duty. The episode is interesting chiefly as a highly typical occurrence of these eventful years, when feeling ran high on both sides, and purely local or individual disputes were apt to become matters of high principle in the minds of Trade Unionists and employers alike.

One great result of the successful railway movement of 1911 had been a keen desire for closer unity on the part of those who had fought together in the struggle. There were at this time five railway Trade Unions, apart from the numerous engineering and other societies which had members in the railway shops. Throughout the dispute the four Unions of manual workers had acted closely together ; and the Amalgamation Movement, strong in most industries at this time, found ready support among the railwaymen. By far the largest railway Union was the Amalgamated Society of Railway Servants, and this was now made the basis of a wider combination. The General Railway Workers' Union, founded as a militant body in the troubles of 1889, and the United Signalmen and Pointsmen's Society, agreed to join forces with the A.S.R.S., and at the beginning of 1913 the National Union of Railwaymen came into existence as an amalgamation of these three. The important sectional Associated Society of Locomotive Engineers and Firemen, however, refused to merge its identity in the new body, holding that its members' special interests would not be adequately protected in a general Union. The disputes between these two Unions were a fertile source of trouble later on.

The formation of the National Union of Railwaymen was widely acclaimed as the first triumph of the New Unionism—a " new model " as influential for the twentieth century as the Amalga-

mated Society of Engineers had been for the Victorian age. The Amalgamationists, as we have seen, stood for the principle of " union by industry " in place of the sectional Unionism of the older crafts. Many of them, indeed, desired " One Big Union," to include all workers in every craft and industry, on the principles proclaimed by the American Industrial Workers of the World. But even this section realised that the only practicable approach to its ideal was by amalgamations on industrial lines. To all the N.U.R., at the time of its foundation, appeared a great victory for the new militant Trade Unionism of which Tom Mann and the *Daily Herald* were the leading prophets.

Troubles were not slow in following. The N.U.R., in accordance with the policy that had called it into being, set out from the first to organise railway workers of every craft and grade. This brought it into conflict, not only with the Locomotive Engineers and, less seriously, the Railway Clerks' Association, but also with the numerous craft Unions which had members in the railway locomotive and carriage shops. In this sphere above all, the struggle raged between the New Unionism and the Old, and repeated conferences brought no solution of the difficulty. The N.U.R. would not surrender its right to organise all railway workers ; and the craft Unions would not surrender their right to organise craftsmen employed on the railways. The problem remained unsettled—a constant source of trouble and weakness in a vital section of the railway world. It remains unsettled to this day.

Meanwhile, the new Conciliation Scheme of 1911 was giving hardly less dissatisfaction than the old. All through 1913 the railwaymen were getting ready a new national programme for presentation at the earliest opportunity. In November, 1913, the first date on which notice could be given to end the scheme, the necessary year's notice was handed in ; and in the early months of 1914 the new programme, providing for full recognition of Trade Unionism, an all-grades wage advance of 5*s*. a week, and numerous other concessions, was made public. Various rank and file bodies of railwaymen promulgated, and began agitating for, a considerably more drastic programme of their own. During the summer the first moves and counter-moves were being made, and negotiations for a new agreement had been set on foot.

Before the War broke out in August, 1914, there seemed every probability that the winter would bring with it a national railway strike far more general than that of 1911. For the companies still refused to recognise Trade Unionism as the agency through which collective bargaining should be carried on ; and on this point, as well as on a substantial wage advance, the railwaymen were determined to insist. Despite the movements of 1907 and 1911, they remained in 1914 by far the worst-paid body of workers in any great industry except agriculture. And, conscious that at length they were strongly organised, they were in no mood to suffer a continuance of the old servitude.

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III

The Miners

Each year from 1907 onwards there had been growing trouble in the mining industry. Mention has been made already of the successful campaign of the South Wales Miners' Federation against non-unionism, and of the troubles in South Wales, Yorkshire, Durham and Northumberland over the readjustments consequent upon the Eight Hours Act of 1908. In addition to these major disputes, there was each year a growing number of small strikes at particular pits, arising in each case out of special grievances ; and in September, 1910, there began a minor dispute of this order which rapidly took a serious turn. At one of the pits belonging to the Cambrian Combine, the most powerful colliery concern in South Wales, trouble arose over a new list of piece-work prices. No agreement could be reached, and the men struck, alleging that the firm was trying indirectly to cut wages and was refusing to give proper regard to the vexed problem of the " abnormal place," *i.e.*, to the working place in which, by reason of the special difficulty of coal-getting, the hewer could not, at piece-work prices, earn a reasonable wage. For a short time the strike was confined to the pit at which the trouble first arose ; but very soon the workers at other pits owned by the Combine came out in sympathy with the original strikers. The chairmen of the two sides of the South Wales Coal Conciliation Board met, and agreed upon a provisional price-list, which was to be given a period of trial ; but this was rejected by the men, and the stoppage spread to further pits, until about 10,000 men were out on strike. The Government intervened, and obtained an assurance from the owners that they were not seeking to cut wages, and that consideration would be given to the men working in " abnormal places " ; but revision of the price-list was refused. The strike therefore continued ; and the South Wales Miners appealed to the Miners' Federation of Great Britain for financial aid. The M.F.G.B.

gave its help after a vain attempt to bring about a settlement. At this point the stoppage had already lasted for more than four months.

A month or so later renewed attempts were made to reopen negotiations ; but the owners refused a meeting, and a ballot of the men showed an overwhelming majority against giving way. The M.F.G.B. again intervened, and, after negotiations directly with the owners, reached a provisional agreement under which the rejected price-list was to be given a year's trial. This the strikers refused ; and the M.F.G.B. thereupon withdrew its financial help. Not until the strike had lasted almost a full year were the men at last starved into acceptance of the employers' terms.

The Cambrian Combine dispute was one of a number of troubles that led up to the miners' national strike of 1912. The " abnormal place " question was a constant source of friction, not only in South Wales, but in many other coalfields. Largely as a remedy for this grievance, the Miners' Federation of Great Britain, which since the accession of the North-East Coast miners in 1909 included the great majority of the colliery workers throughout the country, decided to demand from the coalowners the national concession of an individual minimum wage. The actual rates demanded differed from coalfield to coalfield, but in each area the claim was that a certain minimum should be guaranteed to every miner.

On this issue the Miners' Federation attempted to open negotiations nationally with the Mining Association, as representing the district associations of colliery owners. The Mining Association, however, would only agree to recommend that local negotiations should take place in the various districts. To this the miners ultimately agreed, affirming at the same time their intention to take national action unless a settlement was reached in every area. Accordingly local negotiations were opened. In the English Federated Area, embracing the collieries in Yorkshire, Lancashire, the Midlands, and North Wales, the owners agreed to accept the principle of the minimum wage ; but in Scotland, South Wales, Northumberland, Durham and other areas a deadlock was reached. After further attempts at negotiation in these areas the Miners' Federation determined to take a strike ballot, and a large majority of the members voted in favour of a national stoppage. Strike

notices were accordingly handed in throughout the coalfields, and the miners announced that nothing short of the granting of a schedule of rates drawn up by them for each district would prevent a national stoppage of work. Negotiations were resumed on a national basis, but again broke down ; and even in the " Federated Area," in which the district negotiations had been continued, a deadlock was reached on the question of the actual rates to be paid.

At this stage the Government took a hand in the dispute, and the Prime Minister, H. H. Asquith, invited both parties to meet him. After a series of meetings Asquith decided to draw up his own proposals for the settlement of the dispute, and to submit them to the disputants. On behalf of the Government, he endorsed in general the miners' claim to a minimum wage, but laid down that this must be settled on a local basis, either by agreement or, failing agreement, by Government arbitration.

The Asquith plan divided the owners. Those of the Federated Area, Durham, and Cumberland agreed to accept it ; but it was rejected by the owners in Scotland, South Wales and certain other districts. The Miners' Federation replied by reiterating its demands and stating its willingness to continue district negotiations with the owners with a view to their acceptance. The fundamental difficulty, on the miners' side, arose from their insistence that, even if the minimum wage were to be settled locally by arbitration, it should be laid down in advance that it should nowhere (save in one or two small areas) be less than 5*s*. per shift for an adult miner. Upon the final rejection of its proposals the Government broke off its negotiations with the parties. Enoch Edwards, the politically moderate but tough and unyielding President of the Miners' Federation, had replied to every overture with a reiteration of the miners' chosen formula.

At the end of February, 1912, the national strike began. A few days later the Government again intervened, and the three-cornered conversations were resumed. The miners, however, stood firm in their insistence that the actual wages they demanded should be accepted by the owners ; and finally Asquith determined to introduce into Parliament a Bill incorporating his own proposals. The Labour Party, on behalf of the miners, attempted to include the 5*s*. minimum in the Bill, and opposed the measure. It was, however, carried, and became law at the end of March.

Upon this the coalowners agreed to accept it. The Miners' Federation took a ballot of its members, which showed a small majority in favour of continuing the strike. The majority was, however, considered insufficient, and on April 6th the Federation ordered a resumption of work. Minimum Wage Boards, with independent chairmen, were subsequently established in all the coalfields, and the trouble died down. The Act, however, was only to remain in force for a period of three years, and has since then been annually renewed in the Expiring Laws Continuance Act. It is still operative.

The miners' strike of 1912 was by far the largest strike that had ever occurred in Great Britain. It involved altogether over a million workers, of whom 850,000 were directly parties to the dispute, whereas all the strikes of 1911 put together had directly involved only 830,000 workers. It was also the first miners' dispute in which all the coalfields were simultaneously included. The great dispute of 1893 had extended only to the Federated Area, and all other disputes had been confined to one or at most two neighbouring coalfields. Behind it was undoubtedly, besides the desire to enforce the universal adoption of the minimum wage, the will to secure fuller recognition for the Miners' Federation of Great Britain as the representative negotiating body for the industry as a whole. This is shown incidentally by the evidence submitted on behalf of the Federation in 1912 before the Government Enquiry into Industrial Agreements, then proceeding under the auspices of the newly formed joint Industrial Council, to which reference is made in a later section.

For negotiating purposes the miners were, in 1912, divided into a number of district groups. Separate Conciliation Boards, which fixed wage-rates, existed for the Federated Area, Northumberland, Durham, South Wales and Scotland; and there were also separate local arrangements for a few smaller districts. The miners, without demanding a uniform wage level throughout the coalfields, did desire a national system of wage negotiation. This was strongly repudiated by the coalowners, who refused to give any power of wage settlement to their own national association. Thus the seeds of many later troubles had been sown even before the national upheaval of 1912.

For the time the Coal Mines Minimum Wage Act settled the

procedure to be adopted. The minimum wages to be fixed under the Act were, however, distinct from the standard wages fixed for the main bodies of miners by the various Conciliation Boards. When the national struggle was over, the Miners' Federation began an attempt to achieve its object of national negotiation by another method. An effort was made to get all the agreements fixed by district negotiation so arranged as to come to an end at the same date. This, which would have made national action possible on the general wage question, by no means suited the owners ; and it was found impossible to effect it. Later in 1912, for example, the miners of the Federated Area secured a wage advance only by agreeing that the existing Conciliation Board system should continue until August, 1915.

1912 and 1913 were years of abounding prosperity in the mining industry. The selling price of coal rose fast, and wages rose with it. Local strikes were numerous, particularly on the non-unionist question, and usually ended in victory for the strikers ; but they were neither extensive nor in most cases prolonged. The most important was a strike of 50,000 miners in South Wales, who refused to continue working with non-unionists ; and in this case, as in others, the non-unionists joined the South Wales Miners' Federation. Already, however, difficulties were arising out of the double system of wage-fixation established in 1912. The Conciliation Boards and the Minimum Wage Boards were wholly distinct and independent bodies, and did not in all cases cover the same areas. Trouble soon arose out of this arrangement. Did an advance under the Minimum Wage Act cancel a Conciliation Board advance, or should the two be added together in order to arrive at the amount payable ? This question led to a general stoppage of the South Yorkshire coalfield early in 1914, and the compromise by which this affair was brought to an end failed to settle the question, so that a similar dispute took place in West Yorkshire twelve months later, and actually laid the coalfield idle early in 1915, when quarrels in most industries were in abeyance owing to the War. In this case, partly owing to the war conditions, the miners won their point.

The most important dispute of 1914, however, arose in the Scottish coalfield. After the great prosperity of 1913, coal prices had begun to fall, and the Scottish coalowners demanded a sub-

stantial reduction in wages. The Scottish miners met the claim by announcing that they proposed in future only to work four days a week. The owners, they said, had often restricted output in order to maintain prices when it served their turn. Why should not the miners, since their wages depended on the price of coal, take a leaf out of the owners' book, and, with the same object, refuse to work more than four days a week? The Miners' Federation of Great Britain, asked to endorse this new policy and to promise the Scottish miners financial support, rejected the request; the Scottish miners nevertheless announced their intention of resisting the wage reduction. Thus matters stood when, in August, 1914, the declaration of war changed the whole situation, and caused the adjournment of the dispute *sine die*.

The course of the miners' movement from 1910 to 1914 has been traced in some detail, not only for its intrinsic importance at the time, but also because it throws a clear light on the still more important developments of later years. There is no doubt that during this period the Miners' Federation was passing through an extraordinarily rapid process of change. At the opening of the century the miners were almost everywhere led by men of exceedingly moderate outlook. Many of their leaders were "Lib.-Lab." Members of Parliament; and we have seen that up to 1909 the Miners' Federation refused to identify itself with the Labour Party. But, slowly at first and then with growing swiftness, there came a change in the temper of the men. The South Wales miners, who had been the last to cling to the old sliding scale system, became after 1906 the leaders of the new militant movement. The Scottish miners also adopted an aggressive policy, and Miners' Forward Movements were launched in Durham and elsewhere during the troubles over the introduction of the eight hours day. With the spread of Syndicalism and Industrial Unionism, the miners in some of the coalfields, already organised largely on industrial lines, became ready converts to the new doctrines. The Federated Area, indeed, and especially the Midland districts, remained true to the old policies, and little touched by the new ideas; but in the South Wales coalfield more and more extreme counsels prevailed. The miners there launched, about 1911, an Unofficial Reform Movement, urging a rigid centralisation of Union control with a view to a stronger fighting

policy. Their attitude found expression in the famous *Miners' Next Step*, published just before the strike of 1912, to which allusion has been made already. Under the auspices of the Central Labour College, which had been founded in 1909 by a secession of students and teachers from the moderate Ruskin College, Oxford, Marxian classes were organised throughout the coalfield, and an intensive propaganda went on in favour of the new ideas. This is by no means to say that these views were dominant in the Miners' Federation as a whole. The rejection in 1914 of the Scottish miners' policy showed plainly that they were not. But they gained a considerable and increasing hold. When, in August, 1914, the outbreak of war for a time put a stop to aggressive industrial movements, it was to the miners and the railwaymen that men were looking with hope or apprehension as the main fighting forces of the New Unionism of pre-war years.

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IV

Larkinism and the Struggle in Dublin

Meanwhile, in other trades, the unrest continued to spread. In February, 1912, the jute and flax workers of Dundee struck for higher wages, and advances were secured in the spinning and preparing sections. In April the West London tailors came out, both for high wages and for the redress of a complicated list of special grievances. The East London tailors followed in May, and in the end secured concessions which the original strikers were unable to gain. And between July and September there were widespread and mostly unsuccessful strikes of engineering apprentices for higher wages—sure signs of the prevalence of unrest. Apart from these major movements, there were very many small strikes. Even apart from the miners, there were over 350,000 workers involved in trade disputes, or far more than the total in any year of the new century except 1910 and 1911.

Moreover, a good many wage advances took place in 1912 without any stoppage of work. This was the case, for example, in both the engineering and the shipbuilding industries. Requests for a reduction of hours were, however, refused ; and it was after this refusal that the engineering and shipyard workers came together in that shorter hours campaign which, interrupted by the War, succeeded only in 1919 in securing the eight hours day.

1913 opened stormily. On New Year's Day the London taxi-drivers launched a successful strike. Ten days later the Yorkshire dyers were out. In the course of January the Cotton Spinners' Amalgamation gave notice to terminate the famous Brooklands Agreement, under which the affairs of the spinning trade had been regulated for twenty years past. In March the Amalgamated Society of Engineers withdrew from the Engineering Agreement of 1907. The continued rise in prices and the boom in trade were leading even the more moderate craft Unions to free their hands for the adoption of a more militant policy. At the

same time the, movement towards Trade Union organisation among the less skilled workers spread rapidly from transport to agriculture and manufacture. From April to July the tube workers and others in the minor metal trades of the Midlands were out on strike to the number of 50,000 or more in a demand for higher wages, the strike ending in a substantial victory. In June there occurred in Lancashire the first considerable strike of agricultural workers since the days of Arch, and the Saturday half-holiday was won. Municipal employees in Leeds struck, and secured wage advances, in the same month. In August the London printers conducted a successful strike for higher wages.

So far 1913 had been a year of steady and considerable successes. But in August there began, in Dublin, a struggle which for the rest of the year drew the entire attention of the Trade Union world, and confronted the New Unionism in its most militant form with a challenge even more menacing than the challenge of Lord Devonport. In England, sectional strikes continued ; but in the eyes of all observers the great Dublin struggle dwarfed everything besides.

Before the great Dublin struggle of 1913 the fortunes of Irish Labour were little followed in Great Britain. There had been, indeed, a big transport workers' strike in Belfast in 1907 ; and its leader had been James Larkin, then an Irish official of the British National Union of Dock Labourers. Thereafter had come rumours of a growing prevalence of strikes across the Irish Channel ; but, in face of the general unrest in Great Britain itself, not much attention was given to the doings in Ireland. In fact, however, the New Unionism, in a more extreme form than it ever assumed in Great Britain, had taken definite shape in Ireland some time before the great British outbreaks of 1911.

For this development two men—James Connolly and James Larkin—were mainly responsible. Connolly had begun the propaganda of militant Socialism in Ireland with the foundation of the Irish Socialist Republican Party in 1896. From 1903 to 1910 he was absent in the United States, closely associated there with the Industrial Workers of the World as well as with the Irish Republican movement, and continuing to influence his own countrymen through his writings, in which the doctrine of fighting Industrial Unionism was strongly emphasised.

Meanwhile, in 1908, Larkin had broken away from the British Dock Labourers' Union, and founded the Irish Transport Workers' Union as a militant body. When Connolly returned to Ireland in 1910, he found Larkin already at the head of a strong body deeply imbued with Industrial Unionist doctrines. Thereafter the two men worked together, with Larkin as the popular leader, in a great Trade Union crusade. Their aim was no less than to make the Irish Transport Union, as far as in them lay, the " One Big Union " dreamed of by Connolly and the I.W.W. They enrolled not merely transport workers, but unorganised workers of every type, leaving alone only those groups which were already organised in powerful separate societies. And they sought to use the big Union which they made as a single and united instrument for the waging of constant war on the employers.

Their methods were the sudden and the sympathetic strike. They did not call great stoppages preceded by long negotiations which gave the employer ample time to prepare. They preferred to call out suddenly the workers at a single establishment, and then, as seemed most helpful, to bring out other workers in sympathy with the original strikers. If, for example, an employer tried to carry on with blackleg labour, they would stop the carmen or the shops in which his goods were sold. Or they would call out the workers in other establishments in which the employer whom they were fighting was known to have an interest.

For some time this policy was pursued with success. Wages and conditions in Ireland were appallingly bad ; and there is no doubt that " Larkinism " made them better. In Belfast the power of the Transport Union was limited, because there the majority of the organised workers belonged to British Unions, and the religious trouble stood always in the way of unity. But in Dublin Larkinism had become by 1913 a great and redoubtable power.

The effect of Larkin's success was to unite the employers against the Transport Union. In particular, W. M. Murphy, leading proprietor of the Dublin tramways, of the *Irish Independent* and other newspapers, and of various business enterprises in Dublin, as well as a well-known Nationalist politician, took the lead on the capitalist side. In the middle of 1913, matters came

to a head. After certain sectional disputes, in which Larkin had pursued his usual methods, W. M. Murphy declared war on the Transport Union, and began dismissing all its members from the various enterprises of which he was in control. This provoked retaliatory strike action on a large scale; and the main body of the Dublin employers then followed Murphy's lead. James Larkin replied with a general strike of the services covered by the Transport Union, and the members of numerous other Trade Unions came out, or were locked out, in sympathy. Many of the masters meanwhile sought to obtain from all their employees a signed "document" repudiating membership of the Transport Union or any body connected with it, and, in some cases, also renouncing the sudden and the sympathetic strike.

The Dublin struggle thus became a symbolic contest. From the standpoint of the workers generally, Murphy and his fellow-employers were attacking the right to combine; from the standpoint of Murphy, Larkinism stood for a method and policy which made the continuance of capitalism impossible. Each, accordingly, was quite determined to extirpate the other; and all the repeated attempts of various mediators to settle the dispute broke against this rock of immovable antagonism.

The Dublin dispute could not, in these circumstances, long remain confined to Dublin, or even to Ireland. Not only had the British Unions many Dublin members, who soon became involved in the struggle; it was also inevitable that Larkin and his followers should, in pursuance of their usual policy, soon call on the British Unions for help. Supplies were reaching and leaving Dublin in spite of the dispute; but Larkin wanted British Trade Unionists—seamen, dockers, railwaymen, and others—to refuse absolutely to handle these "tainted goods." The British Trade Union leaders, on the other hand, had no love for the sympathetic strike, which was causing them plenty of trouble in their own country; they had certainly no desire to invoke it in Great Britain in support of Larkinism.

They were, however, in a difficulty, just because the intransigeance of Murphy and the Dublin employers had made the dispute centre round the elementary rights of Trade Union combination. They hated Larkinism; but they were not prepared to let employers dictate to Trade Unionists what form of organisa-

tion they should adopt. They could not, therefore, turn an entirely deaf ear to Larkin's appeals.

In August, 1913, Larkin and several other strike leaders had been arrested on a charge of sedition. Released upon bail, Larkin left for England to raise funds for the strike and stir up sympathetic support. Under his influence, there were strikes of railwaymen and transport workers in various places, following on the dismissal or suspension of men who refused to handle tainted goods. The British Unions, unwilling to become involved, quickly settled these disputes and prevented them from spreading, much to the anger of Larkin, who was by this time loudly denouncing the British leaders for cowardice and treachery, and calling in vain on the British workers for a sympathetic general strike.

Meanwhile, the British Trades Union Congress, on receipt of an appeal from the Dublin Trades Council, had sent a deputation to Ireland in the hope of settling the dispute. The delegates, out of sympathy with Larkinism as they were, reported that, in face of the anti-Union attitude of the Dublin Employers' Federation, there was no hope of agreement. Nor did the Government, which late in September sent a special Commission of Enquiry to Dublin, meet with better fortune. In their report, after condemning on the one hand Larkinism and on the other the " document " issued by the employers, they proposed, according to the favourite recipe of these years, a system of compulsory conciliation. The men agreed to discuss this ; but the employers would have none of it, and the Commission thereupon retired from the field.

At the end of October Larkin was tried and sent to prison for seven months. But this created so huge a wave of resentment in Great Britain as well as Ireland that the Government, fearing widespread strike action, hastily released him a fortnight later. He at once resumed his propaganda in favour of a sympathetic strike. The British Unions met this by calling a special conference, and by sending a second delegation to Dublin in the hope of negotiating a settlement. Discussions were resumed, but broke down because the employers would give no guarantee that all the strikers would be reinstated, or the blacklegs, who had been introduced in large numbers, dismissed. The special Trade Union conference met, and sent a third delegation to Dublin ; but

once more negotiations broke down over the question of reinstatement.

During all this time there had been an active effort in Great Britain to raise funds for the support of the men in dispute. The Trades Union Congress, through the Co-operative Wholesale Society, sent shiploads of food to the starving Dublin workers, and the *Daily Herald* and other agencies collected large sums on their behalf. A movement to find homes in England for the children of the strikers broke down in face of denunciations by Irish priests of the placing of Catholic children in Protestant homes.

By the end of 1913 it was clear that there could be but one end to the dispute; and in the course of January, under the influence of sheer starvation, men began to drift back to work on the employers' terms. The latter, in most cases, silently dropped the "document," and exacted no pledges about membership of the Transport Union. But in many instances pledges to abandon the sympathetic strike were required. At last, at the end of January, 1914, the dispute collapsed, and during February the rest of the men gradually resumed work. On the face of things, the employers had won; but, as appeared later, they had not smashed the Transport Workers' Union, which during the War immensely increased its strength, and became almost the "One Big Union" of Ireland. James Connolly later referred to the struggle as "a drawn battle"; and this fairly summarises the result.

In Great Britain, though the Trade Union leaders succeeded in preventing any widespread sympathetic action, the Dublin dispute exerted an enormous influence on men's minds. Larkinism, though it went much further than any British Trade Union group was prepared to go, came to stand for the New Unionism; and Larkin's denunciations of the British leaders were echoed hardly less ferociously by the *Daily Herald* in its leading articles and in Will Dyson's trenchant cartoons. All the "left wing" rallied behind Larkinism; and when the dispute at length collapsed, it had done a good deal, in Great Britain, to knit together the working-class elements which were striving for a militant policy. It had, on the other hand, solidified the older Trade Union leaders in opposition to the new tactics. In 1914, on the eve of the Great War, the left and right wings of British Trade

Unionism confronted each other fiercely over the grave of the Dublin struggle.

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V

The Industrial Council—The Triple Alliance

The story of the great strikes of the pre-war years has been told in some detail because in these eventful times each great movement had its own significance. In their cumulative effect, these strikes stood for a profound change not only in Trade Union policy, but still more in the whole mind and temper of the British working class. Whatever the immediate issues might be, there was a new spirit behind them—a kicking against the pricks of capitalism, an insistence on the human rights of the worker as a person who was set on "counting" as a person and refused to be "druv," a capacity for spontaneous mass action which seemed, after the long-sustained orderliness of the Victorian era, something wholly new.

It was, above all, this aspect of the unrest that alarmed the employers, the Government, and, scarcely less, some of the older Trade Union leaders. Consequently, from its very beginning, there was a feverish search for cures for the prevailing industrial unrest—cures, of course, which would leave the capitalist system intact. Much was heard of the virtues of conciliation and arbitration, of the systems in force in Canada, Australasia, and other countries, of the need for more goodwill as the basis of satisfactory industrial relations. Even profit-sharing, as is usual at such times, enjoyed its little boom.

Again and again, as we have seen, the Government and its agents directly intervened in order to settle the recurrent industrial crises. But it was recognised by the Liberals that such direct intervention had its political dangers and inconveniences, and that it would be both nicer and safer if employers and workers could be induced to settle their differences peaceably among themselves. Out of these fears arose, in 1911, the Industrial Council—a joint consultative body of well-known employers and moderate Trade Union leaders, designed to act as a conciliatory

influence. This body proved wholly impotent to settle disputes ; but it conducted in 1912 an exhaustive enquiry into industrial agreements, in which much valuable material bearing on the pre-war history of Labour is embedded. Its chairman was a Government official, Sir George Askwith (now Lord Askwith), who had been in constant request as a conciliator during the troubles.

The plan chiefly discussed, on Sir George Askwith's initiative, before the Commission was some form of compulsory conciliation before a strike could take place. This plan was based on the Canadian Industrial Disputes Investigation Act of 1907, generally known as the " Lemieux Act." Under this Act, which applied only to certain services, no stoppage of work could lawfully take place until the dispute had been considered by a special court of enquiry, and a report issued embodying recommendations. These recommendations had no binding force, and after the report had been issued both parties were free to take what action they chose. But it was hoped that the moral force behind the report would be enough, in most cases, to prevent a stoppage of work.

Such a plan for Great Britain was widely canvassed ; but the Industrial Council could not be brought definitely to recommend it. They went only so far as to propose that voluntary agreements should be given the force of law, provided that they embodied conditions allowing no stoppage of work without previous enquiry by some impartial tribunal. So timid a proposal was almost nothing ; and the Council's Report attracted very little intention. Indeed, the Government, having found that it was of no use as a conciliator for the prevention of strikes, had virtually dropped it before the Report appeared. It was quietly allowed to lapse in the year following its creation.

While the Government was thus striving to dam up industrial unrest by schemes of conciliation and arbitration, the great Trade Unions, on their side, were also seriously considering their position. The strikes of transport workers and railwaymen in 1911 had thrown many miners out of employment because the coal could not be got away from the pithead ; and in 1912 the miners' strike had thrown out thousands of railwaymen and waterside workers. Separate action by the three groups seemed, in these circumstances, deplorably wasteful ; and, after the formation

of the N.U.R. in 1913, plans for common action were widely discussed. The outcome of these discussions was the formation of the Triple Industrial Alliance of Miners, Railwaymen and Transport Workers by the three great bodies which represented the majority of the workers in these industries. The Miners' Federation took the official initiative, and in 1914 the Alliance was created, though its terms were not definitely ratified until a year later. The idea behind it was not, as is widely supposed, that of the sympathetic strike. It was not that, when any of the three industries became involved in a dispute, the other two should give it sympathetic support. This was, as we shall see, how it tended to work out in practice ; but it was not the plan on which the Alliance was based.

The miners, as we saw, were trying after 1912 to arrange for the simultaneous termination of their agreements in all districts, in order to enable them to act effectively as a national body. The idea of the Triple Alliance was to extend this to all the three industries. Miners, railwaymen and transport workers were all so to arrange their agreements that all these would end at the same time. Each body would then put forward its own demands simultaneously with the others, and each would agree not to accept any settlement unless the others settled too. Then either the employers would give way before the massed power of the three groups, and no strike would be needed, or, if a strike did occur, all three industries would be stopped at once, but each group would be striking for its own programme as well as in support of the others.

If, however, there was difficulty in arranging for simultaneous termination of agreements in one industry, the difficulty was obviously far greater when three industries were concerned. The employers clearly would not wish to facilitate a vast strike of all three groups, and there would be strong pressure for the acceptance of agreements ending at different times. In fact, the Triple Alliance never realised this fundamental principle of joint action. But to this point we shall come later on.

The formation of the Alliance was hailed as a great victory for Trade Union solidarity. The Syndicalists, and others who had been advocating the General Strike, were greatly encouraged by the threat of the three great basic services to act together. Almost

the General Strike seemed to have secured official endorsement. But the new instrument was not to be used as yet. Before the preliminary stages of its formation had been completed, the out-outbreak of war interrupted the movement. Despite war conditions, it was officially ratified by the three bodies in 1915 ; but no chance of testing it in practice arose until the War was at an end. It is none the less worthy of notice that the threat of something like a General Strike—a perpetual theme of post-war Trade Union diplomacy—had been definitely made before the War, as the direct outcome of the great industrial movements which this chapter has described.

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CHAPTER VI

LABOUR IN WAR-TIME

S. 1. Labour and the War
S. 2. The Shop Stewards' Movement
S. 3. State Control
S. 4. Reconstruction

I

Labour and the War

The full seriousness of the war threat of July, 1914, was not at first generally realised in the working-class movement. There had been too many war scares in the past few years for it to be readily believed that this was the real thing. The continental workers were perhaps more alive to the seriousness of the situation ; in Great Britain, up to the very moment of the invasion of Belgium, there were many who believed that the trouble would pass away.

What was the duty of the working-class in face of the threat, and later the reality, of war ? The question had been widely discussed in international Labour and Socialist gatherings. In 1907 the International Socialist Congress, to which the British Labour Party as well as the I.L.P. and other Socialist societies belonged, had laid this duty down in a unanimous resolution. Before war broke out, every effort must be made to prevent it, and every Socialist or Labour Party must put out all its powers in order to dissuade its own country from taking part. If this failed, and war broke out, the Socialists were to do two things. They were to " intervene to bring it promptly to an end," and they were to " use the political and economic crisis created by the war to rouse the populace from its slumbers, and to hasten the fall of capitalist society."

In the years after 1907, there was a good deal of discussion about the means of carrying this policy into effect. The French Trade Unions pressed the International Federation of Trade Unions, which had been formed in 1901, to declare for an international general strike as a means of preventing war ; but the I.F.T.U., holding itself to be a purely industrial body, referred the question to the International Socialist Congress. When it was brought up there, it was decided to refer it to the various countries for discussion ; and the British Labour Party sent out a questionnaire

on the subject, to which hardly any of its affiliated bodies took the trouble to reply. On the question of method, the position remained in 1914 wholly indefinite.

If, however, the resolution of 1907 meant anything at all, it implied a militant anti-war policy, both before and after the outbreak. In August, 1914, the Socialist and Labour Parties did everywhere demonstrate against war, and against their own States becoming involved in war, up to the point at which they actually became involved. But at that point the Labour and Socialist opposition nearly everywhere crumbled. In Germany, France and Great Britain alike, the majority of the working-class leaders gave support to their own Governments. In Great Britain, the Labour Party and the Trades Union Congress, after taking part in peace demonstrations up to August 4th, 1914, speedily rallied to the national cause, leaving the I.L.P. and a section of the British Socialist Party to form a small minority in opposition. Even Ramsay MacDonald, who resigned the chairmanship of the Parliamentary Labour Party because of his hostility to the War, soon after expressed the view that " victory must be ours." The Labour Party, which began by urging the working-class movement to concentrate on measures for the relief of distress, was soon involved, jointly with the other political parties, in a recruiting campaign. The Trades Union Congress issued a strongly worded appeal for soldiers.

Undoubtedly at this stage, and throughout the earlier part of the War, the overwhelming mass of working-class, as of other, opinion in Great Britain, was strongly " pro-war," just as it was in France, or Germany, or even Austria-Hungary. Everywhere, the declared Socialist policy of opposition had dramatically collapsed ; and the small minorities which opposed the War were for the time driven almost to silence. As the logical sequel to the predominant attitude, a truce to internal disagreements was rapidly declared. In the course of August the political parties declared a bye-election truce, and the Trade Unions, without awaiting any definite understanding with the employers, proclaimed an industrial truce. Immediately after the outbreak of war, the trade disputes then in progress, including a big building strike in London, in which the employers had resorted to the " document," were called off.

Meanwhile, the dislocation caused by the outbreak of war had

led to a sharp leap in prices and to the closing down of many factories. It seemed at this stage as if prolonged and widespread unemployment would be the lot of the workers. The Labour bodies formed a War Emergency Workers' National Committee, which demanded measures for the prevention of profiteering, the control of prices, and the relief of distress. But within a few months the situation dramatically changed. Prices fell after the first rapid rise, and there was an interval before they began their long and steep advance. Work was resumed in many factories which had closed down, and there came from the industries engaged in producing war supplies a growing and insatiable demand for more labour. It was not long before it had become clear that, in face of the Army's growing need for men and materials, a shortage rather than a surplus of labour would be the fundamental problem.

Soon prices again began to rise, and the workers found difficulty in existing on the wages of 1914. The industrial truce seemed to preclude strike action ; but it became clear that something must be done. The railwaymen, the first to move, negotiated with the companies, which had been virtually taken over by the State, the first "war bonus." But this was not extended to other trades ; and towards the end of February the whole country was startled by the outbreak of a great unofficial strike of engineering workers on the Clyde. This was a serious matter ; for the Army was perilously short of munitions, and the Clyde was one of the greatest armament-producing areas. The Government at once called on the men to resume work, and the Trade Unions officially seconded their efforts. But the Central Withdrawal of Labour Control Committee, the unofficial body of rank and file delegates in charge of the movement, waited some days after the expiry of the Government's ultimatum before ordering a return. The dispute was then referred to Government arbitration, and ended by the granting of a somewhat larger advance than the employers had offered to concede.

Just before the Clyde strike the Government had appointed a Committee on Production in Engineering and Shipbuilding Establishments, to enquire into the whole position in the munitions industries. After the strike, this body assumed a new importance. It not only acted as arbitrator in the dispute, but

came forward with a complete plan for the organisation of the munitions industries and the settlement of all disputes in them by arbitration for the period of the War. The problem of labour shortage was by this time becoming acute, and the employers were insisting that Trade Union rules must be abrogated in order to give them full freedom to reorganise the workshops in view of war needs, and to employ unskilled workers in jobs ordinarily reserved for skilled men.

The Committee on Production, in March, 1915, proposed that the Trade Unions should accept both compulsory arbitration and the abrogation of Trade Union restrictions, on condition that the Government should pledge itself to the restoration of the *status quo* at the end of the War. At the Treasury Conferences of March, 1915, most of the Unions accepted these terms. The miners, however, refused to be bound by them, and the engineers exacted from the Government a guarantee to limit employers' profits in the industries concerned.

The Treasury Agreements had at first no legal force behind them; but in July, Lloyd George, as Minister of Munitions, secured the passage of the Munitions of War Act, 1915, which made compulsory arbitration, as well as the suspension of Trade Union customs and the limitation of profits in the munitions trades, legally binding. The Act applied primarily to engineering and shipbuilding; but power was taken to apply compulsory arbitration to any industry supplying vital war needs.

The Act was soon tested in practice. There had already been some trouble in the mining industry. In January, 1915, a serious dispute in Yorkshire had only been settled by conceding the men's claims. In March, the Miners' Federation had unsuccessfully demanded a national wage advance, in order to meet the rising cost of living. Instead, only local advances of inadequate amount had been secured, with the result that unrest was widespread. In July came a general stoppage of the South Wales coalfield.

The old agreement in South Wales expired in the middle of 1915, and negotiations for a new one had hopelessly broken down. The Government put forward proposals for a settlement, which the men rejected, and after some further negotiations "proclaimed" the South Wales coalfield under the Munitions Act, or, in other words, used its legal authority to forbid a strike and refer

the dispute to compulsory arbitration. This action had no effect on the miners, who struck solidly in defiance of the law, knowing very well that, in face of the shortage of skilled labour, it would not at all suit the Government to attempt to use its power of sending 200,000 men to gaol. Indeed, in face of the strike, Lloyd George and his colleagues promptly gave way. The miners got most of what they wanted, and returned to work unpunished. A month later a further dispute arose over the interpretation of the settlement. The Government gave this against the men, but in face of a renewed strike threat hastily reversed the decision. The South Wales Miners' Federation had certainly lost no time in driving a coach and four through Lloyd George's measure of compulsory arbitration.

Nevertheless, throughout the War, strikes were relatively few and small. After the troubles of 1915 wage-rates, while they did not advance so fast as prices, moved steadily upward in nearly all trades. Employment was plentiful, and overtime was largely worked. In the war trades high piece-work earnings were common, though not universal. Apart from isolated disputes, the machinery of arbitration under the Munitions Acts worked well enough to prevent serious troubles on the wages question. The important strikes of the war period, after those of 1915, arose rather on other issues. They were, moreover, mostly unofficial; for the Trade Unions were bound by the Munitions Acts and the industrial truce. Of these unofficial stoppages we shall have something to say in the next section.

It must be remembered that, practically throughout the War, Labour was officially represented in the Government. In June, 1915, the Liberal Government gave place to a Coalition, in which Arthur Henderson and two other Labour Party representatives were included. When Lloyd George drove Asquith from power in December, 1916, the Labour Party agreed to form a part of the new Coalition, and Arthur Henderson entered the War Cabinet. When Henderson resigned, after his return from Russia, in June, 1917, G. N. Barnes took his place, still as an official representative of Labour. Although for the last eighteen months of the War the relations between the Government and the Labour Party were becoming more and more strained, as the demand for peace gained strength in the Labour ranks, it was

not until after the Armistice that the Labour Party finally withdrew from the Coalition.

Up to the end of 1916 at least, although the dissentient elements were gradually gaining force, the bulk of British Labour opinion was favourable to the prosecution of the War. Then three things worked together to modify this attitude. The first of these was the rejected German " peace offer " of December, 1916. The second was the Russian Revolution of 1917, and the launching of a peace movement by the Russian workers. The controversy over the proposal to attend an International Labour Peace Conference, at Stockholm, in the summer of 1917, marks a turning-point. It was then that Arthur Henderson withdrew from the War Cabinet, and a representative Labour Conference voted by a small majority in favour of attending at Stockholm. The Bolshevik Revolution of November, 1917, while it sharply divided the British workers who had unanimously welcomed the downfall of Czardom, helped to introduce into the policy of the " Left Wing " a new note of militant revolutionism which had been almost absent from the earlier movements of war-time unrest. And the negotiations at Brest-Litovsk and the signing of peace between Russia and Germany in March, 1918, undoubtedly heightened the feeling of war-weariness in this country, and gave a new impetus to the movement for peace in Germany as well as here. Brest-Litovsk was, indeed, as became plainer later on, the real beginning of the German internal collapse.

In official Labour circles, the growing desire for peace took shape in an attempt at independent formulation of " War Aims," with a view to the finding of a possible basis for a negotiated peace. The Inter-Allied Labour Conferences and the Labour Party's War Aims Conference gave the movement a definite basis, and were not without their influence on the German workers, who perhaps overestimated the power of the workers in the Allied countries to affect the terms of settlement. To the end, the real anti-war movement remained unofficial. One section of it was led by the Independent Labour Party, which adhered throughout the War to a pacifist attitude. Other sections, especially influential in the workshops, and above all on the Clyde and in South Wales, took a more militant line, preaching the class-war in opposition to the war of nations, and, at any rate after the Russian

Revolutions, taking on a definitely revolutionary tone. The unofficial Leeds Conference of June, 1917, which called for the formation of British Workers' and Soldiers' Councils on the Russian model, set the movement definitely on foot, though many of those who took part in it had really no revolutionary intention.

The third factor making for a change in the working-class attitude to the War was Conscription. The way for this had been prepared by gradual stages—the National Registration Act of July, 1915, and the " voluntary " recruiting scheme conducted under Lord Derby, with Labour participation, in the autumn of the same year. With the New Year it was announced that voluntary methods had failed, and in January, 1916, the first Military Service Bill, for single men only, was introduced. A Labour Conference decided to oppose it, but not to offer resistance to it when it had become an Act. Thereafter, by successive Acts and administrative changes, the bonds of Conscription were steadily tightened. Married men were taken, the age was raised, exemptions granted on exceptional grounds were reviewed with growing stringency. On every possible job women and older or unfit men were substituted for men serviceable to the fighting forces.

The enforcement of Conscription inevitably placed a huge power over the workers' lives in the hands of the Government. In the vast majority of cases, it was the Government that decided whether men should join the forces, or be retained in industrial life. This was done mainly by negotiation with the Trade Unions, which were called upon to agree to the release of more and more men for the Army, and therewith to a steadily increasing amount of " dilution of labour " by the substitution for their members of women and unskilled workers returned from the forces as unfit, or drawn from other trades. Thus to a growing reluctance among the remaining workers to join the Army was added an increasing amount of friction over the terms of substitution ; and these combined with a growing war-weariness and a developing suspicion of the purity of the aims with which the War was being carried on to create a stronger and stronger unofficial movement of unrest. The longer the War lasted, the stricter the control and rationing of the nation's " man-power " grew ; and every intensification of

recruiting and civil discipline at home swelled the ranks of the anti-war opposition.

It is, therefore, not surprising either that the Labour participation in the Coalition Government showed signs of dissolution during the later stages of the War, or that the number and magnitude of strikes tended to increase. In 1916, the only important stoppage was the Parkhead strike at Glasgow, mentioned in the next section. But in 1917 there were engineering strikes in March at Barrow-in-Furness and on the Tyne, and in November in Coventry, besides the widespread " May strikes " on grievances arising out of the extension of " dilution " and the workshop discipline imposed under the Munitions Acts. The great German ' offensive ' of 1918 caused a temporary lull in disputes ; but in the latter half of 1918 strike followed strike in rapid succession. The Coventry engineers struck again in July, in protest against an " embargo " on the changing of employer by skilled munition workers ; in August, there was a strike of transport workers in favour of equal pay for women engaged on men's work, as well as a successful sudden strike of the London police ; and in September, a stoppage of the cotton spinners followed by an extensive unofficial strike on the railways. All these movements were signs in part of the increasing severity of war-time conditions, but even more of growing anti-war feeling among the workers.

Nearly all these strikes were called and conducted by unofficial leaders, acting against the will of the official leaders of the Trade Unions. The " industrial truce " tied official Trade Unionism down, and to some extent this fact cost it its force and authority among the rank and file. The Unions as such could do little to remedy the men's grievances, or even to voice their point of view, and this gave the self-constituted unofficial leaders their chance. To the nature and policy of this unofficial leadership the next section of this chapter will be devoted.

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II

The Shop Stewards' Movement

"Shop Steward" is an old name in Trade Union affairs; but during the Great War the old name came to stand for a new thing. The shop steward, as he existed before 1914, was a minor Trade Union delegate appointed, in a particular shop or factory, to perform certain routine functions such as the periodical inspection of Trade Union contribution cards, and to report generally to the Union branch or district concerning the condition of affairs in the shop. Sometimes he had rather wider functions, especially at certain great factories, such as Woolwich Arsenal, and in certain of the minor metal trades. But usually his powers were very restricted, and his main duty was merely that of report. He was above all the Union's recruiting sergeant in the workshop.

Shop stewards did not exist in nearly all industries, or in nearly all factories in industries where the system was common. They flourished chiefly in the engineering and shipbuilding trades; and these were, of course, the trades most directly affected by the demand for munitions of war and the consequent "dilution" of skilled labour. As long as the War lasted, conditions in the engineering shops were in constant change. Almost every day new problems had to be faced, as methods of production were altered, new machines introduced, and unskilled and women workers set to jobs previously done by skilled men. All these changes called for delicate and detailed workshop adjustments; and the workers in the shops imperatively needed someone to represent them in dealings with the management over these constantly recurrent issues.

The shop steward stepped naturally into the breach, and assumed a wholly new importance in the life of the workshop and in the organised relations of employers and employed. The Trade Union and its officers, while they dealt with the broad principles of dilution and similar matters, were far too remote to

handle the detailed troubles of each particular shop. The shop steward was on the spot ; and the duty fell upon him. The result was a rapid increase in the number of shop stewards. The system spread right through the munitions trades, and was imitated in other industries, such as boot and shoe manufacture. Moreover, there arose side by side with the old type of shop steward, who was directly responsible to the Trade Union from which he held his appointment, a new type, neither representing nor officially responsible to any Trade Union at all—a nominee of a group of workers in the shop, often irrespective of their connection with any particular Trade Union.

The Trade Unions, as we have seen, were prevented during the War from leading any militant movement, first by their voluntary declaration of an industrial truce, and later by the penal provisions of the Munitions Acts. But, under the conditions of rapid workshop change, constant differences and disputes were bound to arise ; and in these the shop stewards, as less official and responsible persons, usually took the lead. The Munitions Acts included, besides the provisions mentioned in the last section, disciplinary clauses under which men could be punished for bad time-keeping and similar offences, and also a system of " Leaving Certificates," which, until their abolition in 1917, seriously restricted the mobility of labour. Finally, with the introduction and progressively severe enforcement of Conscription, many grievances arose over the order in which men were to be taken from the workshops to fill up gaps in the fighting ranks.

On all these grievances the shop stewards' system was built up as a guerrilla movement designed to replace the official Trade Union conduct of affairs. As a movement, it arose first in connection with the unofficial Clyde strike of February, 1915, mentioned above. The Strike Committee which conducted that affair was a body of delegates from the various workshops throughout the Clyde area ; and, when the dispute was over, this body decided to hold together on a permanent basis, under the name of the Clyde Workers' Committee. It was speedily imitated in other areas, and Workers' Committees, usually including official and unofficial shop stewards alike, were set up in most important engineering centres. Finally, these bodies linked up into a loose central organisation, generally known as the National Workers

Committee Movement. Both national and local Committees constantly fell foul of the official Trade Union Executives, which accused them of usurping their authority. The Government and the employers, save at a few moments of exceptional stress, refused to recognise the unofficial movement, and insisted on dealing with the regularly constituted Trade Union leaders. Prominent shop stewards were deported from the Clyde in 1916, and in other cases arrested and imprisoned. But the movement held its position, above all, because in the circumstances of war-time industry it supplied a new need which the Trade Unions were not otherwise in a position to meet.

The origin of the wider " Workers' Committee " movement on the Clyde was no accident. Just as South Wales was the storm-centre of the coalfields, the Clyde was the storm-centre of the metal industries. American Industrial Unionist influence had been exceptionally strong there ; and the idea of " One Big Union " built up on a basis of all-grades workshop organisation had been steadily preached before the War. The narrow craft structure of engineering Trade Unionism made even an approach to this ideal unattainable through the existing Trade Unions ; but the rise of the shop steward gave the Industrial Unionists just the basis of organisation that they wanted. They did not, indeed, urge the workers to break away from the craft Unions ; but in the shop steward system and the Workers' Committee they found an alternative form of leadership which men would follow in disregard of official Trade Union instructions.

All the important engineering strikes of the war years were in effect organised and run not by the Trade Unions but by the shop stewards. The " Parkhead " strike of March, 1916, which led to the deportation of the strike leaders, arose out of a dispute as to the privileges to be accorded to the elected chief steward in the Parkhead Forge, at Glasgow. The wages strikes at Barrow and on the Tyne, in March, 1917, were under shop steward leadership. Finally, the great " May strikes " of 1917, the one instance of a war-time strike movement extending over the greater part of the country—arose mainly out of troubles over the dilution of labour, and were nationally organised by the Workers' Committee Movement.

In the early stages, the Shop Stewards' Movement was purely

industrial in character. It was concerned with wages, dilution, the administration of discipline in the workshops under the Munitions Acts, and similar grievances. But, especially from 1917, it began to assume a more political character. From the first, it was led mainly by left-wing Socialists, usually hostile to the War on Socialist grounds. As rank and file opinion began to turn against the War and the stiffer administration both of workshop discipline and of Conscription created growing resentment, the leaders increasingly took a political line. The Russian Revolution further accentuated this tendency. The Shop Stewards' Movement began to cry loudly for international peace, and at least to hint at social revolution.

As long as the War lasted, though an individual here and there might be sent to gaol for his activities, the movement as a whole was in an impregnable position. The shortage of skilled labour and the need for munitions were such that the Government could not afford to provoke strikes, or to delay settling them when they occurred. But no sooner was the War over than these conditions were radically changed. The munitions industries, hugely swollen in personnel, were drastically cut down ; and in most cases employers found excellent chances of getting rid of inconveniently militant shop stewards. Many found themselves dismissed, on the plea of redundancy of labour, and others kept their mouths shut for fear of losing their jobs. Within a few months of the Armistice it was clear that the Shop Stewards' Movement was dying. What was left of it—a small body of leaders without a rank and file—mostly passed over a little later on into the new Communist Party of Great Britain.

Nevertheless, the movement produced a permanent impression on Trade Union structure. In 1918 and 1919 the engineering Trade Unions negotiated with the Engineering Employers' Federation national agreements, providing for the recognition of shop stewards and workshop committees as bodies of first instance in industrial negotiations. They also revised their rules so as to admit official shop stewards to a place on the Trade Union District Committees. The main body of the ordinary shop stewards, under these conditions, deserted the unofficial leaders and returned to the official Trade Union fold. The shop steward system is to-day far more widespread and more fully recognised

by both employers and Trade Unions than it was before the War. But it is no longer an " all trades " movement, standing for the solidarity of all the workers irrespective of craft or grade. It has ceased to be a challenge either to official Trade Unionism or to the capitalist control of industry, and has become merely a useful supplementary piece of Trade Union machinery.

The shop steward system, as such, is obviously suitable only to industries organised on a factory or workshop basis. Analogous movements, however, sprang up during the War in a number of other industries. The miners, already organised mainly on a pit basis, had little need of it ; but in Lanarkshire and some other areas local organisations partly based upon it arose. In the National Union of Railwaymen an elaborate system of semi-official district councils, already in existence before the War, developed on unofficial lines during the War years, and was responsible for a steady stream of left wing propaganda, and for one or two strikes, including an important unofficial stoppage in South Wales and elsewhere in September, 1918. Transport workers and builders, among other groups, developed somewhat similar methods of rank and file organisation in particular areas.

It was mainly in and through these various unofficial bodies that the propaganda of workers' control in industry was carried on during the War. Syndicalism, as a name for a distinct movement, disappeared ; but Industrial Unionism continued to grow, and Guild Socialism, known in 1914 only to a comparatively narrow intellectual circle, gained from 1915 onwards large bodies of disciples, especially in the various workshop movements to which its doctrines of control made a special appeal. The rank and file movements of the War years were, indeed, essentially the continuation of those which had developed during the great unrest of the preceding years. They changed their form, and adapted their methods and propaganda to the changed conditions. But the driving force remained the same—an increasing anti-capitalist feeling expressing itself largely in a somewhat vaguely but insistently expressed desire for a real share in the control of industry.

In the war-time movements, this desire found expression with many variations of vehemence and emphasis. The Clyde and South Wales extremists had no more use for Guild Socialism than

for the orthodox Collectivism of the Labour Party and the I.L.P. But, although they were the most vocal leaders, they were only a small fraction of the shop stewards' movement as a whole. Guild Socialism and kindred doctrines appealed strongly to those who were less intent on the political aspect of the movement than on its application to workshop affairs. As the movement became more political towards the end of the War, some of its supporters dropped away, and it undoubtedly became less effective as an industrial force affecting workshop conditions. It was, nevertheless, for the few years of its effective existence, a very remarkable demonstration of working-class capacity for rapid self-organisation, and a significant expression, in a practical form, of that desire for workers' control which had been a prominent feature of pre-war left wing agitation.

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III

State Control

Under war conditions, not only the millions of men drafted into the forces of the Crown, but also a large part of the industrial "army," became to all intents and purposes employees of the State. The railwayman, the miner, the munition worker, or the seaman, might remain nominally the employee of some private firm ; but increasingly, as the War advanced, the use to be made of his labour and the terms and conditions of his employment were determined by his virtual employer, the Government. The State, in view of military requirements, became the greatest customer of a wide range of industries ; and, even where this was not the case, the need for the most careful use of every man and every productive agent in the nation compelled the Government to intervene in order to regulate, with increasing closeness, the working of the economic system. Moreover, the sharp rise in prices created social discontents which compelled the Government to exert a growing control on the sale as well as the production of goods, lest it should have to meet the rising prices by means of a swollen wages bill which the taxpayer would have to pay. Its position as virtual employer and as arbiter of trade disputes gave it the duty of regulating wages ; but this power was clearly ineffective unless prices were regulated as well.

The comprehensive system of State control which existed in the later years of the War was, however, a very gradual development. The railways, and some ships, were indeed taken over by the State immediately upon the outbreak of war, because so much control was obviously necessary for the mere transport of troops and military supplies. Beyond that point control was not at once pushed. For some time the War Office endeavoured to get its supplies by the system of contracts in force before the outbreak, and it was deemed no business of the Government to undertake the organisation of supplies on behalf of the civil population. This

policy, however, speedily broke down, and early in 1915 the nation awoke to the fact that there was a serious shortage of munitions. This led to a big campaign of organisation. At first local Armaments Committees, consisting of employers' and workers' representatives, were set up to organise higher production in various areas. But these were soon discarded, and their place taken by the bureaucratic Ministry of Munitions, under which the important firms producing munitions of war were brought, as "controlled establishments." The War Office Contracts Department in the meantime was organising the supply of khaki cloth and other textiles, as well as the supply of foodstuffs, etc., for the armed forces. More and more shipping tonnage was requisitioned, and one by one other commodities were brought under some sort of control, or, without direct control, effectively supervised under the drastic provisions of the Defence of the Realm Acts.

It was not, however, till the coming of the Lloyd George Government at the end of 1916 that State control of industry became at all complete or systematic. The scarcity of shipping space was by that time acute, and imports had to be rigidly rationed. Labour was scarce, and little could be spared for services not regarded as essential. And the sharp rise in prices, which by the end of 1916 were about 90 per cent. above the pre-war level, had created a situation which called for some attempt at drastic control.

The new Government set energetically to work. Owing to Labour troubles, the South Wales coalfield had already been taken over under the Defence of the Realm Act in November, 1916, and in February, 1917, the whole of the coalfields were brought under direct State control. A Ministry of Shipping was set up, and practically all British tonnage brought under the State. In April the wool industry was regulated by a "costings" system which considerably checked the rise in prices, and in August a Wool Control Board, on which the employers, the Trade Unions, and the Government were equally represented, was set up with large powers for the organisation of the industry. A Cotton Control Board had already been established in June, with less extensive powers. A Wheat Commission and a Food Controller had been appointed in 1916 by the Asquith Government; but in

the middle of 1917, under Lord Rhondda as Minister, the Food Ministry was drastically reorganised, and given greatly extended powers, a " costings " system based on the experience of the War Office Contracts Department being introduced for a large number of commodities.

The agricultural industry was also brought under a special system of regulation. Early in the War a Food Production Department, under the Board of Agriculture, was created, with the object of increasing the supply of home-grown food and decreasing Great Britain's dependence on imported foodstuffs. Under the direction of County Agricultural Committees, land was put compulsorily to the plough, and in 1917, by the Corn Production Act, a guarantee of certain high minimum prices for cereals was given to the farmers in order to encourage them to produce as much as possible. At the same time a minimum wage was granted to the agricultural labourer, an Agricultural Wages Board, acting on the advice of County Committees representing farmers and labourers, with appointed members, being set up, with power to fix the actual rates to be paid. One of the effects of this Act was an extraordinarily rapid spread of Trade Unionism among the agricultural workers.

All these systems of control were made effective largely because the Government, through its control of shipping space and its arrangements for collective purchase of foreign supplies of sugar, wheat, meat, oils and fats, wool and many other commodities, had practically complete control of the raw materials of most industries, and was able by giving or withholding supplies to determine precisely what should or should not be produced. Furthermore, as the greatest customer by far, it was in a position to check the costs of manufacture and to fix prices for supplies not only to itself, but also to Allied Governments and to the civilian consumer. In practically all cases, both rationing and price-fixing were carried on by the Government Departments in very close consultation and agreement with the employers concerned, and Advisory Committees or Control Boards, on which employers, and in some cases workers also, were represented, were set up for one industry after another. These developments furnished a powerful stimulus to organisation among employers, and undoubtedly did a very great deal to foster the growth of those trusts

and combines which became so prominent a feature of the British industrial system after the War.

War prices were generally fixed on a basis generous enough to allow the normal employer a high margin of profit. But, in face of the acute shortage of supplies, they were undoubtedly much lower than they would have been in the absence of State control. First in the munitions trades, and then generally by means of the Excess Profits Duty, the State sought to take away in taxation a part of the huge profits which employers were able to obtain. But this taxation largely failed to achieve any result except a further rise in prices. In spite of it, war profits were immense, and huge fortunes were easily made. When all prices were rising rapidly, it was difficult to be incompetent enough not to make a big profit in almost any line of business connected with war supplies.

The workers, from the very outbreak of war, had pressed strongly for the effective State control of industry and prices. We have seen that in August, 1914, the principal Labour bodies came together to form the War Workers' Emergency Committee, which throughout the War busied itself with this aspect of the problem. The changes effected by the Government in 1917, under the heavy pressure of the shortage of man-power and the " intensified " submarine campaign of Germany, were to a great extent on the lines which the Labour movement had been urging steadily ever since August, 1914.

Among the earliest sources of trouble, and among the earliest prices to be brought under control, was the rent of houses. In 1915 there was a serious " Rent Strike " of Glasgow tenants, and similar movements occurred later both on the Clyde and in other areas. These led to an increasingly drastic limitation by statute of the rents which landlords were permitted to charge. The pit-head price of coal, but not the retail price, was also limited by statute in 1915 ; but control of prices in general was unfortunately, owing to the *laissez-faire* prejudices of the Asquith Government, deferred until it was absolutely forced upon their successors by the huge rise in the cost of living.

By 1918 State control of industry had become an almost all-embracing system. The Labour movement, while it was dissatisfied with many of the actual features of the system in force, was naturally disposed to regard its rapid development as a

demonstration of the inadequacy of " private enterprise " to cope with the national emergency and of the necessity of collective control—a half-way house to Socialism—as a remedy. As the end of the War drew near the Labour bodies pressed strongly for the permanent retention of many of the features of the war-time system. This, however, would by no means have suited the book of the employers or of the other parties. Immediately after the Armistice as many as possible of the " controls " were removed or greatly relaxed. It was not possible to dispense at once with control of either mines or railways ; and in the case of shipping and some other services control could only be relaxed by gradual stages. But as much as could be given up was surrendered at once, with the consequence of an immediate leap in profits during the short-lived post-war boom, and of at least an accentuation of the dramatic collapse which followed.

BOOKS

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IV

Reconstruction

At an early stage during the progress of the War men's minds began to turn to what was to come after, not only in relation to the terms of the international settlement, but also to the internal future of Great Britain. The War had caused a huge disturbance in the national life ; and it was said on all hands that " things could never be the same again." At first, indeed, men spoke largely in terms of a restoration of pre-war conditions. Industries were taken over " for the duration of the War," with an implied pledge to hand them back to their previous controllers ; the Trade Unions agreed to a suspension of their workshop regulations on the explicit condition, legally sanctioned in the Munitions Acts, that these should be restored intact " at the end of the War." Advances in wages were given largely as " war bonuses," to last only " for the duration."

But gradually men awoke to the fact that a literal return to the conditions of 1914 would be, in many cases, sheerly impossible. The development of industry was profoundly affected by war needs. Some industries were hugely expanded, and some nearly shut down. New machines and processes were widely introduced. The places of men absent on war service were filled by others, who in four years acquired a technique which made them permanent competitors. The number of women in industry proper greatly increased. The State entered into elaborate financial arrangements with the various groups of producers, such as it was clearly impossible to cancel suddenly at the end of the War.

Even more important than these purely industrial changes were the social changes which the War brought about. Not only in the factories, but everywhere, women stepped into responsible positions previously reserved for men. In the working-class movement, for example, they came to play a quite new part in both Trade Union and political affairs. The old isolation of the

rural worker was largely broken down by war service, and by the extensive migration of labour. Every class was appealed to again and again in the name of the nation to " do its bit " ; and it was not easy to rebut the argument that sacrifices should be compensated by the concession of rights. The conscription of men was met in Labour circles with a demand for the conscription of wealth—a quite unsuccessful claim, in that fortunes were being made very much faster than Excess Profits taxation could take them away. Indeed, such taxation was for the most part promptly transferred to the consumers by means of higher prices, creating a new demand for more effective steps towards real equality of sacrifice and of status and rights.

Something had to be done, or promised, in order to meet these claims. In 1916 the Asquith Government set up a Reconstruction Committee, which developed later into the Ministry of Reconstruction. Under its auspices, one " post-war " problem after another was brought under review. A separate committee, under Lord Balfour of Burleigh, surveyed in advance the post-war condition of industry and trade. Long before the War ended there were showers of reports laying down what should be done to meet the anticipated conditions.

From the standpoint of the working-class movement, the most important of these plans for post-war reconstruction were those dealing directly with the suffrage, education, and industrial relations. Before the end of 1918 substantial changes had been provided for in all these spheres. The Representation of the People Act, 1918, granted practically manhood suffrage and enfranchised women over thirty years of age—a tribute both to the real driving force of the pre-war suffrage movement and to the new position which women had assumed during the War in nearly every sphere of public life. The " Fisher " Education Act of 1918 abolished all exemptions from school attendance under fourteen, thus sweeping away the half-time system in the textile trades, extended the public provision for higher education, and proposed a system of compulsory " continuation schools," which was in fact shelved without ever becoming operative.

Industrial relations, however, were clearly the crux of the social problem. These were referred to a Committee on the Relations of Employers and Employed, under the chairmanship of Mr. J. H.

Whitley, a well-known Liberal Member of Parliament ; and this body in the summer of 1917 issued its first and most famous Report. Essentially, the aim of the " Whitley " Committee seems to have been that of meeting the claim of the workers for a share in the " control of industry " as far as this could be met without any interference with the rights of property or the capitalist system. The Committee took the half-revolutionary and essentially anti-capitalist notion of " workers' control "—then very much in the public eye through the activities of shop stewards and Guild Socialists—and sought to make of it an essentially non-revolutionary idea of co-operation between Capital and Labour. As a means to this end, they proposed the establishment, in all well-organised industries, of standing Joint Industrial Councils, representing the Trade Unions and employers' associations, and with similar District Councils and Works Committees acting under their authority. The main business of these Councils was conceived as being, not the fixing of wage-rates or other matters customarily dealt with by ordinary collective bargaining, but the co-operation of employers and employed in promoting industrial efficiency and the creation of a harmonious understanding between the rival groups. " Whitley " Councils were proposed only for well-organised industries. For others the Committee suggested a comprehensive extension of the Trade Boards Act, so as to provide for collective bargaining and a legal minimum wage in all the worse-paid and less organised trades.

The failure of the great Whitley scheme, except its proposals for Trade Boards, is now a matter of history. Such great industries as mining, cotton, engineering and shipbuilding, and iron and steel rejected the plan altogether. It was tried in building, and broke down owing to the secession of the employers. In the industries—many relatively small—in which Councils were set up, the great majority became mere agencies for collective bargaining, almost indistinguishable from the Conciliation Boards and similar bodies which had existed before the War. The Whitley scheme did result in an extension of national collective bargaining to new industries ; but it did nothing to change the fundamental relations of employers and employed.

A significant element in this failure was the omission of practically all the Councils even to set up the workshop machinery

recommended by the Whitley Committee. If "joint control" was workable at all, its best chance was obviously in the workshops, because there arose the questions in which the ordinary worker felt the most direct interest and with which he was best equipped to deal. But the Trade Unions feared that workshop bodies might fall under unofficial control, so as to subvert the influence of the national Unions; and employers had mostly no intention of granting any real control, and therefore would have none of it in the sphere in which it was likely to be most real and effective. The Whitley scheme did no harm; but it did very little good either. Its results were ludicrously small in relation to the aspirations of its supporters.

Indeed, by far its most important results were, first, the extension of effective methods of collective bargaining throughout the State and municipal services, and, secondly, the Trade Boards Act of 1918. The State, while commending Whitley Councils to others, at first rigidly refused to adopt them for its own employees. It was, however, compelled to take its own medicine, with undoubtedly beneficial results. And the Trade Boards Act of 1918 did extend the experiment of 1909 to a wide range of new trades, and bring several million workers under the protection of the legal minimum wage. Until the Government, in 1921–22, refused to create any more Trade Boards and, under excuse of the trade slump, unsuccessfully tried to destroy the powers of those already in being, this part of the Whitley scheme made excellent progress, and contributed to a real improvement in the position of the worst-paid classes of workers.

Reconstruction was also practised, to some extent, in the working-class movement. The big amalgamation campaign among the Trade Unions, which had been in progress before the War, was unfortunately held up owing to the difficulty of securing the majorities necessary by law. Until 1917 no two Trade Unions could amalgamate without securing a favourable vote of at least two-thirds of the total membership. With so many men absent on service, and many more working in districts far from their homes, the Trade Unions could not get even the modified majorities required by the Trade Union (Amalgamation) Act of 1917, passed on the initiative of the Labour section of the Coalition. Trade Union reconstruction was therefore held up, and,

apart from the final ratification of the Triple Alliance in 1915, the only important consolidation was that which resulted, in 1917, in the formation of the Iron and Steel Trades Confederation, created by an ingenious method which avoided the necessity of a ballot vote under the law. Many groups, including engineers and transport and general workers, discussed amalgamation; and the building operatives succeeded in strengthening their loose federal Council into a closer National Federation; but for the most part the Trade Unions, while they greatly increased their membership, did little or nothing towards the improvement of their organisation.

The important new step in working-class organisation was taken in politics. The Labour Party up to 1918 was a pure federation of Trade Unions, Socialist Societies, and a number of miscellaneous local bodies such as Trades Councils. The Socialist Societies, and especially the Independent Labour Party, acted virtually as an individual members' section of the wider party, and any sympathiser who wished to join did so by becoming a member of the Fabian Society, the British Socialist Party (which rejoined the Labour Party in 1916), or the I.L.P. The Fabian Society, however, was very small, and both the I.L.P. and the B.S.P. had taken up an anti-war attitude which had temporarily weakened their position with the Trade Unions. In these circumstances, and with a view to a widened post-war appeal, the Labour Party in 1918 revised its constitution so as to admit individual members to its local Labour Parties, which were rapidly extended throughout the country, and set up the definite claim to be regarded as the party of the "workers by hand and brain." A pamphlet, *Labour and the New Social Order*, embodying this claim and setting out the party's policy and programme, attracted widespread attention, and members from all social classes came flocking in.

Meanwhile, the employers, unhampered by the difficulties which prevented Trade Union consolidation, were improving vastly their own industrial organisation. Before the War there was no effective federation of employers' associations corresponding to the Trades Union Congress, and in many of the smaller industries the employers were weakly organised or even not organised at all. We have seen how the war-time growth of State control stimulated the formation of bodies of traders and manu-

facturers which afterwards turned into permanent combines. Similarly, State regulation of wages and labour conditions caused a rapid growth of employers' associations for dealing with the workers. These two developments combined to cause the foundation in July, 1916, of the Federation of British Industries, a militant new combination of British industrial interests which rapidly swallowed up the older, ineffective Employers' Parliamentary Association. Thenceforth the labour policy of the employing bodies was far more closely co-ordinated than ever before; and although the F.B.I. subsequently handed over dealings with labour questions to another body formed in 1919, the National Confederation of Employers' Organisations, it is from July, 1916, that the new co-ordination of employing interests really begins. The F.B.I. undertook the work of impressing the employers' point of view on Parliament and Government; the Confederation assumed the task of formulating a common policy on labour matters, and so meeting the Trade Unions with a united front.

When the Armistice was signed, there were, then, on both sides great new forces waiting to be unloosed. Nothing less than the social and economic structure of post-war Britain was in the balance. And, Whitleyism having already in effect failed, employers and employed confronted each other menacingly in a new world of unknown possibilities.

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CHAPTER VII

POST-WAR BRITAIN

Post-war Britain

The Great War of 1914–18 changed the economic configuration of the world. In every country, the abnormal forms of war-time demand altered the character of industrial production. Some industries were greatly stimulated; others languished. In the belligerent countries, effort was concentrated mainly on two things—the production of munitions of war, and the increase of agricultural output. The submarine campaign and the blockade compelled the belligerent countries to aim at cutting down their demand for imports, and the preoccupation of the world's great workshops with war production compelled neutral States to become more self-sufficient. The destruction of shipping led to a feverish campaign of shipbuilding.

Consequently, when the War ended, and the nations sought, over the greater part of the world, to resume normal economic intercourse, pre-war conditions of normalcy had largely ceased to apply. Industrial production had developed greatly in neutral countries and, especially, in the comparatively undisturbed East. The vanquished countries, prostrate and devoid of purchasing power, were largely out of the market. Russia, devastated by war and revolution, and surrounded by a ring of hostile Powers eager for the fall of her Socialist rulers, was neither a market nor a source of supply for foodstuffs or materials. The new States set up by the Peace Treaties, animated by an intense national consciousness, began the building up of high tariff walls behind which each hoped to become rich by industrial production and to go on selling its raw products abroad without taking the manufactures of its customers in exchange. Finally, the United States, late entrant into actual hostilities, had enormously developed its manufacturing power during the years when the Allied nations asked only for supplies and more supplies, without counting the price that they must pay.

These underlying material facts were complicated by others less permanent, but hardly less disturbing in their effects. Every-

where, under the influence of financial inflation, the world's price system had run mad. National moneys were worth anything or nothing, and the foreign exchanges fluctuated wildly under the influence of political, as well as economic, movements of every sort and description. This was the speculator's chance, and his intervention made them fluctuate more wildly still. The printing presses of the great States worked overtime in catching up the ever-increasing need for currency to meet the rising prices ; and every fresh note they printed helped prices to rise still more. Moreover, a fantastic muddle of international indebtedness made the confusion worse. Our Allies had borrowed from us, and we in turn had borrowed from the United States. Germany was to pay us all, according to the promises lavishly held out in 1918. But whence was prostrate Germany to pay ? The long, tragic farce of reparations was beginning.

Under these uncertain conditions, capital played general post. Free money, available for short or long term investment, flitted from market to market in accordance with almost daily changes in the situation. For, in the new world of after-war days, there was no fixity, based on reasonably stable exchange rates, in what money would buy. It differed enormously from market to market, and from moment to moment. And the owner of free money sent it chasing after fortune round the money markets of the world, thereby greatly increasing the general instability of the economic conditions.

The statesmen went mad. In sharp contrast to the spirit of President Wilson's " Fourteen Points," they produced a treaty of peace even more foolish than it was vindictive. They encouraged impossible expectations of " squeezing " Germany. They bit off colonial Empires that they could not possibly chew. And they chopped up Europe with a mincing machine into economically impossible areas. Everywhere, barriers were raised in the way of free international intercourse ; everywhere, responsible statesmen firmly shut their eyes to the most obvious economic platitudes.

The causes are clear enough. For four years, statesmen had been used to a reckless flinging about of economic resources. Nothing mattered, as long as the War was won. A million, ten millions, a hundred millions, a thousand millions, were nothing

n the ascending scales of war-time megalomania and the descend-ng scales of monetary values. While civil servants in the various ' State controls " plodded away with their costings systems, statesmen were having the time of their lives round a roulette-table as big as the world.

Great Britain, the country most dependent of all on imports and exports, stood to lose most by the world's lapse from economic commonsense, as well as by the inevitable economic changes of the years of war. For half a century, she had been gradually ceasing to hold her former position as the one great workshop of the world —a position in its essence temporary, and due to a series of lucky coincidences. In the pre-war world, it had seemed to be demonstrable that the loss of her old monopoly was doing her no harm; for the countries that became her rivals as exporters remained also her best customers for a wide range of products. She had been able, after the serious depressions of the eighteen eighties and nineties, to adapt herself to the changing conditions; and the growth of German and American productive capacity had lost its sting in face of the huge enlargement of the world market as a whole. But adaptation was necessarily a matter of time; and the condition of trade after the War demanded, not merely a sudden and unprecedentedly drastic adaptation of methods, but also a wholesale reversal of the lines of development which had been encouraged by the abnormal demands of the war period.

Thus, the metal industries had expanded vastly; but so they had in almost every country in the world. In relation to productive capacity for other goods, the world's capacity to produce machines was grotesquely exaggerated. The cotton industry, on the other hand—still easily the first of British export trades—had been largely shut down, and had made, save in one or two quite special branches, absolutely no technical advance. But in America and the East the production of cotton goods had enormously increased, and technique greatly improved. The coal mines again had been exploited for immediate production, regardless of later developments. New shafts had not been sunk, and in the existing pits the most easily accessible coal had been taken out. Quite apart from wage-rates, the human cost of getting coal was bound for some time to be a good deal greater than under pre-war conditions. The railways had suffered abnormal wear

and tear, and could not be expected for some time to regain their full efficiency.

These are but a few selected instances of a general malady. British industry, readjusted in order to meet war needs, was a tragic misfit in the post-war world. Doubtless, this was true of other countries besides Great Britain. But this was cold comfort; for, so far from profiting by her neighbours' troubles, Great Britain lost by them still more. Her dislocation raised her costs of production; theirs decreased their ability to buy. World trade shrunk greatly in total volume. Only the East, with its terribly low labour costs, and the United States, with its vast internal resources and its almost inexhaustible domestic market, could raise themselves above the general calamity.

And yet, by all accounts, there was a trade boom after the War, and Great Britain shared in it. In 1919 the returning soldiers were, for the most part, rapidly absorbed in industry. In both 1919 and 1920, it was almost more difficult than during the War for any business man with the rudiments of a brain to avoid making a fortune. Prices soared far beyond the highest level of the War years; capital values became fantastic; and, despite rapidly rising wages, the margins between costs and selling prices were greater than ever before. How does this boom square with the black account that has just been given of Great Britain's economic position in the post-war world?

The boom of 1919–20 was a boom, not of production, but of prices. British exports were valued at £1,334,500,000 in 1920, as against £525,000,000 in 1913—itself a record year. But the quantity of goods exported in 1920 was only about 70 per cent. of the quantity exported in 1913. We prospered because we were able to sell our reduced exports at enormous prices—not because we were doing more to meet the world's needs.

Such a state of affairs could not last. The wily speculator knew this, and made his pile by unloading on the foolishly optimistic investors huge blocks of grossly over-valued capital assets. Producing plants changed hands at ridiculous values, based on the capitalisation of unreal expectations of continued profits at the 1920 level. Bonus shares were issued on a wholly fictitious valuation of capital assets. The unwary put their money into new enterprises, or expansions of old ones, that had no chance of

yielding for long a reasonable return. For, while there were goods that the world must have at any price in order to repair the worst damages of the War, as soon as these were supplied the demand was bound to break. Great Britain's customers simply could not pay the prices charged by the British producer. In due course, the slump came, first in the coal trade, which had profiteered most exorbitantly of all at Europe's expense, and then generally.

Two points here seem to need further explanation. First, if the boom was of prices and not of production, why was there not more unemployment even while it lasted ? The answer is that, while industry was readjusting itself after its war-time dislocation, output per worker was abnormally low. This was due partly to relaxation after the long strain, partly to labour troubles, and partly to the need for large mechanical readjustments which absorbed labour on processes not directly productive, and temporarily prevented industry from working with full efficiency. Secondly, why could not our customers pay us our high prices, and recoup themselves by charging us just as highly for their own products ? In this case, the answer is that one great effect of the War had been to increase agricultural production in many countries. Imports from distant markets had been restricted by shortage of ships ; as shipping became available in abundance, the inflow of agricultural products was resumed on the grand scale, but, in face of the even more rapid release of tonnage previously used on war service, a heavy fall in shipping freights brought down the European prices of foodstuffs from the New World. The agricultural producers of the Old World thus found their purchasing power diminished, and could not raise their prices so as to enable them to buy the higher priced manufactured products of Great Britain.

Wholesale prices, reflecting world conditions, were already falling in the latter half of 1920. Retail prices, which largely governed British manufacturing costs, were slow to follow. For every class resisted fiercely the idea that the prosperity of 1919–20 had been illusory. Capitalists were determined to go on earning, through high prices, high dividends on grossly inflated capital : workers were determined not to take lower money wages on a mere promise that, if they did, retail prices would fall. The Bank of England and the Joint Stock Banks stepped in, and sought by

rapid deflation of currency and restriction of credit to enforce both lower prices and lower wages, as necessary conditions for the return to the gold standard. Then followed the great industrial struggle of 1921, in which the defeat of the miners symbolised the defeat of the whole working class on the wage issue, but at the same time the stubbornness of the struggle warned employers in other industries against attempting to push victory too far. The eight-hour day was retained despite the slump ; and wages, except in the main exporting trades, certainly did not fall as fast as the cost of living.

The prices of British goods, however, still obstinately refused to fall to the level at which elastic demand would, it was hoped, bring trade up to the required volume. This was mainly due to the immense capital burdens with which industry had been weighed down during the boom. These now stood in the way of improvements in industrial technique ; for prudent investors would not throw good money after bad, and investors had perhaps learnt from the slump to be more prudent than enterprising. Excess of caution now replaced the mad optimism of the preceding year. Consequently, when the first effects of the slump were over, British industry as a whole, instead of gradually pulling itself together, continued to stagnate, and appeals in the political part of the newspapers to " Buy British Goods " were effectively offset by advice, in the financial columns, to " Buy Foreign Investments."

Meanwhile, the fall of profits and wages lowered purchasing power in the home market. Unemployment had become widespread, and differed from pre-war unemployment in character as well as in amount. A large class of chronically unemployed workers arose. The proportion of skilled men fell, and the number of tradeless casuals increased. The quality of the British industrial population deteriorated ; and this was exceptionally serious because Great Britain depended for her position in world markets largely on the high quality of her workmanship.

It became, indeed, more and more evident that the troubles of British industry were due, not to any temporarily adverse phase of the " trade cycle," but to a deep-seated disease. Readjustments far more drastic than those with which the Great Depression of the eighteen eighties was met were clearly required ; but

no one appeared to possess the power, or the will and the power together, to make the necessary changes. A few great capitalists, such as Sir Alfred Mond, set to work to revolutionise particular trades by the creation of huge combines equipped with up-to-date technical resources ; and a few industries—notably the electrical, the motor and the new artificial silk trades—prospered with the aid of a new technique meeting a rapidly expanding demand for their particular services. Coal enjoyed a temporary boom in 1923, owing to the purely political cause of M. Poincaré's madness over the occupation of the Ruhr. But for the most part the great British industries—cotton, coal, iron and steel, shipbuilding, and many branches of engineering—stagnated helplessly.

Socialists, for a while, drew comfort from prophesying the impending collapse of capitalist Society, and the advent of the Socialist Commonwealth. But Capitalism did not die ; it only rotted. And the forces which weakened it still more weakened the workers for any frontal assault upon it. Politically, Labour made great headway, but returned, after the first excitement of 1919, to its pre-war moderation in an endeavour to catch the Liberal section of the electorate ; industrially, the Trade Unions were flattened out by the slump, and could only fight a purely defensive battle. Moreover, as Labour politicians began to see office as an early possibility, the difficulties of Socialism came home to them in a new way. Socialism was doubtless the cure for all troubles ; but it was not an easy cure, nor would Socialism enable Great Britain to resume her old position in the markets of the world. She would have to find for herself a new position ; and that would involve a drastic reshaping of her economic system which could hardly be pleasant in the transition, however triumphantly effective in its ultimate result.

The struggle over the coal mines became, as we shall see in subsequent chapters, the symbolic issue between Capitalism and Socialism in the industrial field. But behind it loomed always the land question. Great Britain, in the nineteenth century, had bidden her agriculture go to the devil its own way. Sure of her ability to buy all the food she needed with her coal and manufactures, she had let agriculture decay in order to get cheap living and so lower the costs of manufacturing production. Had she, in the long run, been right, or was nemesis now overtaking her, with the

crumbling of her export trade? Every man who thought at all had to think about this issue. Every political party toyed with it; but none could made up its mind to face it fairly and squarely. Behind the hesitant Conservative revival of Tariff Reform, the land question loomed—counting in reality far more than the ostensible arguments about Imperial Preference and Safeguarding of Industries. Labour and Liberals launched land policies which, both in their terms and in their propagandist use, revealed nothing more clearly than the dubieties behind them. Was Great Britain to send an increased part of her population "back to the land," or was she not? Nobody knew; and almost everybody said the more for not knowing what to say.

For clearly the issue raised was fundamental. It involved, not merely an abandonment of Free Trade and an acceptance of our inability to pay for our food with exported manufactures, but the assumption that it was the business of the State to shape a systematic economic policy for the whole nation—to create conditions within which economic laws were to work instead of yielding blindly to the play of economic forces under private enterprise. This was the essential conflict between Socialism and Capitalism in the sphere of manufacturing and commercial policy. But Socialists were almost as ready as capitalists to run away from it.

Under these conditions of stagnation and doubt, it was impossible for the country to make any real advance. Capitalism could not rebuild its shaken edifice; and the workers could not get more out of a pint pot with a hole in its bottom. Capital and Labour went on fighting their industrial and political battles; but there were no fruits of victory for either side. Meanwhile, in the United States, triumphant Capitalism continued to advance. The United States enjoyed a prosperity which enabled its industrial rulers to avoid any Labour challenge because they could grant a steady advance in the standard of life. Modern America reproduced the social appearances of Victorian England; but with the difference that her prosperity, based more largely on her vast home market, had less to fear from the impacts of external forces making for change.

Lacking a faith in their own powers, British capitalists turned in their trouble to the new land of plenty. America became the pattern capitalist State as Great Britain had been in the Victorian

Age. The virtues of the American capitalist and the American working man were dinned into British ears. But both capitalists and workers in Great Britain were slow to act. British Capitalism was too tangled up in its own distresses and complications to make a move ; and British Labour, after a half-hearted attempt to run a revolution in the spirit of a friendly game of cribbage, relapsed into an apathetic wait for the highly uncertain results of the next General Election. It had roused its opponents ; but it had not roused itself. The " General Strike " of 1926 was followed by an outburst of reactionary legislation ; and exhausted British Labour was unable, for the time, to offer any effective opposition.

The great doubt remained. Britain's pre-war position in the world had gone. She must make for herself a new one, or sink in population and in standard of life. Would she make good ? And, if she did, would there arise a new Capitalism headed by the leaders of great combines—Sir Alfred Mond and his like—or would the Labour Movement after all throw up the policy, the leadership, and the will-power needed to give it the making of the new world ? 1919 was full of hope ; 1927 saw dark clouds across the future's face.

CHAPTER VIII. LABOUR AFTER THE WAR

1. Introductory
2. The Labour Offensive
3. The Post-war Slump
4. The Guild Movement
5. Labour in Office

I

Introductory

The history of the working-class movement since 1918 falls into three periods. First comes a period of sharply rising prices and wages, of great apparent prosperity, and of rapid increase in Trade Union, Co-operative, and Labour Party membership. During the greater part of this period the working classes are engaged in an " offensive " against Capitalism, and the Government and the employers are pursuing, on the whole, a stone-walling policy of defence. Then comes a rapid change in the situation. Trade slumps, financial deflation is carried to drastic lengths in the endeavour to restore the " gold standard," prices fall heavily, and wages come tumbling down. The offensive passes from the workers to the employers, and the Trade Unions, losing rapidly in membership, can only fight a largely unsuccessful rearguard action. The slump does not, however, check Labour's political advance, and towards the end of the period, in 1924, the Labour Party finds itself for a brief period in office as a Government, but dependent on Liberal support, as it falls far short of a majority in the House of Commons. After this brief interlude, Conservatism comes back to power, and the third period begins. Despite the depression of trade, the workers again turn their minds to industrial action, not, as in 1919, as a means of offence, but as a defensive measure in face of renewed attacks on wages and conditions. This third period reaches its culmination in the " General Strike " of 1926, and has its aftermath in the Trade Union Act of 1927.

Through all these three periods, the problem of the coal trade dominates all others in the Labour world. In the first period, the Miners' Federation appears as the leader of the Labour offensive, with its demand for national ownership and workers' control. The second period opens with the great coal lock-out of 1921, and the defeat of the miners in that struggle symbolises the

general defeat of the working-class forces. In the third period, again, the miners hold the centre of the stage. It is in their defence that the oft-threatened " General Strike " is at length proclaimed ; and their defeat makes possible the Conservative reaction of 1927.

The period, as a whole, differs sharply from the period of labour unrest which preceded the War. Then, the advanced movements were for the most part spontaneous and unofficial, and the official leaders were mostly in opposition. In the after-war unrest, on the other hand, except for the troubles in the first months of 1919, official Trade Unionism was throughout directly involved, and the successive struggles were conducted by, and with the full sanction of, the great Trade Union bodies. The strikes of 1910–1914, except the national mining dispute, were a sort of guerrilla warfare. Those of 1919–26 were confrontations of great disciplined forces on both sides.

It is true that, at all times after 1919 as before, there were unofficial movements striving to " ginger up " the official leaders, and that after 1920 these movements found, to some extent, an unofficial leadership of their own in the new Communist Party and its various auxiliaries, such as the National Minority Movement in the Trade Unions and the National Unemployed Workers' Committee. But the Communists, despite their ceaseless activity, never counted for very much, at least, until after the defeat of the General Strike in 1926, when disappointment and disillusion drove a good number of the younger workers into their ranks. Even then they could get no real hold on any important Trade Union and exerted practically no political influence. British Communism, in comparison with Communism in almost any Continental country, remained through the period under review an almost insignificant and practically impotent movement. The Communist Party itself was little more than the old British Socialist Party with the addition of the rump of the " left wing " shop stewards ; and of its new recruits far more joined it out of disgruntlement and despair than out of any real or deep faith in the Communist doctrine.

None the less, the influence of the Russian Revolution was deep and widespread. Despite the repudiation of Communism by the great mass of the organised working-class movement, there was

the keenest sympathy with the Russians in their often desperate struggle to maintain their Socialist Republic in face of an aggressively and unscrupulously hostile world of capitalist States. This was seen plainly in the Russo-Polish crisis of 1920, and seen again as often as the question of Anglo-Russian relations was raised. The " Red Letter " in the General Election of 1924 doubtless scared off a number of timid voters; but it had no effect on the great mass of the organised workers. Its real result was rather to bring apathetic Conservatives to the poll than to diminish the Labour vote.

Indeed, it was scarcely possible, whatever view men might take of Communist doctrines and policy, for them not to feel differently about Socialism with a vast Socialist Republic actually in existence. In 1914, Socialism still seemed a distant ideal; after 1917, it presented itself to men's minds as a real and immediate possibility. The Capitalist system lost its inevitability; the sense of a possible alternative sank deeply into the minds of the active workers in the Labour Movement.

It sank no less deeply into the minds of employers and men of property in general. The uncertain prospects of Capitalism rallied all these elements with new energy to its defence. Labour pursued a more vigorous offensive, and was met with a counter-offensive more vigorous still. To many on both sides, the clash which came in 1926 and brought the country within measurable distance of civil war had seemed for some time inevitable. When the moment came, however, it was the workers who drew back. The inherent constitutionalism of Labour never asserted itself more plainly than in the great " unconstitutional " movement known as the " General Strike." And, on the other hand, the readiness of the defenders of law and order to resort to unconstitutional methods was never more plainly exemplified. The pacific General Council and the bellicose Mr. Winston Churchill, the mild *British Worker* and the furious *British Gazette*, presented a contrast no less instructive than ironic. It became plain that, if civil war did come, it would not come from the organised working-class movement.

During the war years, the position of the Labour Movement in the social system had radically changed. Politically, Labour was before the War a third party, representing a special interest, and

with no early hope of challenging the supremacy of the two great historic parties. In 1918 Liberalism was in dissolution, and the Labour Party, under its new constitution, was making a bid for recognition as its successor. A Labour Government was not yet an early possibility, but it was no longer inconceivably remote. Becoming, in view of Liberal divisions, the official Opposition, Labour had to be recognised as a possible Government. Its programme clearly contemplated this, covering now the entire field of national and international politics. It remained, indeed, a party based mainly on the Trade Unions ; but it had necessarily changed its relation to them. No longer was it largely a group of representatives of particular Trade Unions, as it had been even in 1914. It was a national party, standing for a common policy opposed to that of the Government in power.

The new Labour Party constitution and attitude also made a great change in its relations to local affairs. The new Local Labour Parties throughout the country set energetically to work to capture seats on municipal bodies. Local politics, which the Labour Party had hitherto largely ignored, became an important part of its activity, with the effect of speedily creating against it, in most areas, local coalitions of the capitalist parties for the retention of municipal power. These local coalitions proved in practice far easier to maintain than the coalition in national politics ; for the issues were clearer locally and more apt to take on a class form. Throughout the period described in the rest of this book, Labour was fighting, in municipal politics, a ding-dong battle which exercised, and will exercise, a big influence on its national fortunes.

Gradually, especially in the mining areas and the poorer parts of London, Labour won majorities on a number of local authorities, and on some of these attempted to put an advanced policy into force. Especially it raised the wages of municipal employees, and, in the case of Boards of Guardians, raised poor relief and used it, in some measure, as a means of relieving those destitute in strikes and lock-outs. This brought down upon it the heavy displeasure of anti-Labour Governments, which retaliated with laws and administrative measures, reinforced by decisions in the courts, circumscribing the powers of local bodies and bringing them under stricter central supervision and control. The imprisonment of

the Poplar Councillors in 1921 and the supersession of the Guardians at West Ham and Chester-le-Street in 1926 by commissioners directly appointed by the Minister of Health are the outstanding examples of this extension of the central power—forecasts of more widespread and drastic measures that might follow an extensive conquest by Labour of local political power.

The changes in the structure and working of the Labour Party are paralleled by changes in the Trade Union movement. During the War, as we have seen, the Government, through a complicated series of arbitration tribunals as well as through its direct control of mines and railways, became virtually the regulator of wage-rates. This system led to a widespread substitution of national for local bargaining. Wage changes were fixed nationally for whole industries instead of separately for and in each locality. This led to greater centralisation in Trade Union affairs, and also caused the Trade Unions to draw more closely together in large industrial groups. When compulsory arbitration was abolished at the end of 1918, these methods persisted ; and the Trade Unions, freed from the war-time difficulties, set on foot an active movement for amalgamation. The leading societies of skilled engineers joined to form the Amalgamated Engineering Union, which continued the traditions and methods of the Amalgamated Society of Engineers. As the result of a series of sectional fusions, nearly all the societies of vehicle and waterside workers came together in the Transport and General Workers' Union, which practically superseded the looser federation of pre-war days. The old-established Friendly Society of Ironfounders was merged, with other bodies, in the National Union of Foundry Workers ; the bricklayers and masons joined forces in the Amalgamated Union of Building Trade Workers ; and the old Gasworkers' Union became the nucleus of the National Union of General and Municipal Workers, embodying a large number of societies of less skilled and miscellaneous workers. In this last fusion was included the National Federation of Women Workers, which had risen to considerable importance during the period of extensive employment of women during the War.

Trade Union membership had risen from 4,000,000 to 6,500,000 between 1914 and the end of 1918. Thereafter,

during the post-war boom, it rose even more rapidly, reaching 8,300,000 at the end of 1920. This growth affected all societies and all sections of the movement. It was, however, especially marked among the less skilled workers and in non-manual occupations. While the number of the older Unions was being rapidly reduced by amalgamation, new societies were constantly springing up in 1919 and 1920 among previously unorganised groups. Such non-manual workers' Unions as existed before increased their membership at a quite extraordinary pace. Railway clerks, bank clerks, insurance clerks, civil servants, draughtsmen, shop assistants, actors, musicians, local government employees, commercial travellers, teachers, and many other groups either formed Unions or greatly increased their Trade Union strength. Trade Unionism, as well as the Labour Party, rapidly reorganised itself as a movement of the workers " by hand and brain." For a time these new bodies pursued a highly successful activity ; then the slump hit them, as it hit the manual workers, but with greater force, because they had less stability and a less practical faith in Trade Union methods than the members of the older societies. The groups which had experience of organisation before the War—railway clerks, postal workers, teachers, among them—stood fast ; but some of the others had a hard struggle for existence in the difficult years after 1920.

Even in face of the prolonged slump, however, Trade Unionism remained both a bigger and a broader movement than in pre-war days. Membership had sunk in 1925, the latest date for which figures are available, from 8,300,000 to about 5,500,000 ; but this was still well ahead of the numbers reached in 1914, after the extraordinarily rapid growth of the years of unrest just before the War. It must be remembered that as recently as 1910 there were only about 2,500,000 Trade Unionists in the whole country.

In less measure, the Co-operative Movement shared in the great post-war increase of membership. Co-operative retail trade rose from £85,000,000 in 1913 to £246,000,000 in 1920, falling to £166,000,000 in 1923 with the slump in prices and prosperity. Membership of distributive societies, which had reached 288,000 in 1913, rose to 4,531,000 in 1921, and was scarcely affected by the slump, mounting to 4,662,000 in 1924. As always, co-operation advanced more slowly than Trade Unionism in the

good times, but made up for this by its stability in face of adverse conditions.

The War had a big influence on the Co-operative Movement in another way. War-time control hit the Co-operatives hard, and checked their expansion because they could not get increased supplies of goods from the State. They were, moreover, made subject to war-time profits taxation in ways which were strongly resented. These grievances combined with the change in general working-class feeling to force the Co-operative Movement into a sharp break with one of its strongest traditions, that of abstention from politics. In 1917 the Co-operative Congress formed the Co-operative Party, separate from the Labour Party mainly for tactical reasons, but working in close conjunction with it. The new party did not grow very fast, and ten years after its foundation only about half the Co-operative Societies in the country were behind it, a number of others having joined the Labour Party and many still refusing to take any political action at all. The decision of the Co-operative movement, however, added a new element to working-class politics, and Co-operative Members of Parliament took part as Ministers in the Labour Government of 1924.

This brief survey is intended only as an introduction to the narrative of post-war events which follows in the next sections. This narrative could, however, hardly be understood without some reference both to the changed structure and to the changed attitude of the working-class movement in post-war days. In the year or two following the War, all settled things seemed to have been uprooted. No one knew what shape the new Society was to take ; and inevitably the new and almost unknown power of the working-class movement figured prominently in men's thoughts. It seemed, perhaps, to the outside observer, far more conscious and formed than to its own members. These had, indeed, had their faith in the old things rudely shaken ; but they had scarcely begun to build up a faith in the new or in their own power. They floundered, therefore, amid the difficulties and intricacies of the new world, shaping their policy rather to the immediate occasion than to any clear vision of the future. It could not well have been otherwise. Labour had scarce begun devising a policy to deal with one set of conditions when it was confronted with quite different conditions urgently calling for

decisive action. If it did not always act wisely, who did in these years act so wisely that he can afford to cast a stone ?

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II

The Labour Offensive

The Armistice of November, 1918, was almost immediately followed by a General Election. The Labour Party, which had hastily left the Coalition along with the Asquithian Liberals, appeared before the electors for the first time as a national party, with independent candidates throughout the country, and an untried and greatly enlarged electorate to woo. It put up 361 candidates, and returned 61 ; but even so the complete defeat of the Independent Liberals gave it the status of His Majesty's Opposition. The smallness of the Labour gains is readily explained by the atmosphere in which the election was fought. The Coalition came out of the War with the prestige of victory, and its partisans had no scruple in raising the popular cries of " Hang the Kaiser ! " and " Make Germany pay ! " Against these conditions the Opposition was almost powerless ; and with a few exceptions, only " safe " Labour men got home. Ramsay MacDonald, Philip Snowden and Arthur Henderson were among the leaders who lost their seats. In the new Parliament, Lloyd George was for the time omnipotent ; for the weakness of his dependence on mainly Conservative support had not yet made itself evident.

Meanwhile, the cessation of hostilities had immediately brought to the front all those industrial problems which had been either set aside or dealt with on a purely temporary basis during the War. The Trade Unions began at once to consider what programmes of immediate demands they should put forward, and to press for the fulfilment of promises made to them during the war years. In some cases there was delay in bringing the Trade Union machinery into action, but during the month or two following the Armistice almost every Union came forward with a more or less ambitious programme of demands.

While the Unions were preparing their case and getting their

machinery into order, emergency steps had to be taken to deal with the double process of demobilisation. The returning soldiers had to be drafted back into industry, and the pace of demobilisation was, to some extent, accommodated to the ability of industry to absorb them. At the same time, and even more suddenly, the vast armies of civilian munition workers had to be disbanded and guided back into occupations ministering to the requirements of peace-time production. For both these classes provision had to be made until they could find work ; and a special system of Out-of-Work Donation was instituted in November, 1918, for both ex-soldiers and civilians.

It was also clearly necessary to make some provision for the regulation of wages during the period of transition from war to peace, and on November 21st the Wages (Temporary Regulation) Act passed into law. The effect of this Act was to stabilise, as enforceable minimum rates, the wages in force for each occupation at the time of its passing, with provision for the variation of these rates by an Interim Court of Arbitration, which was, in fact, the war-time Committee on Production under a new name. Compulsory arbitration was at the same time abolished, and the Court of Arbitration could fix only *minimum* rates and could not, in law at least, prevent the Trade Unions from asking or getting more. The Wages Act was originally passed for six months only, but it was renewed in May, 1919, and certain of its provisions were continued for a further period under the Industrial Courts Act of 1919.

The first phase of the post-war industrial struggle centred mainly round the question of hours of labour. The railwaymen had secured during the War a Government promise, and the date for the introduction of the forty-eight hours week and the eight hours day was fixed for February 1st. The engineering and shipbuilding trades, in which the normal working week varied from fifty-four to fifty hours, resumed their pre-war demand for a shortening of working time, and obtained the forty-seven hours week in February, 1919. The cotton operatives secured by negotiation the forty-eight hours week ; and the eight hours shift was generally introduced into the iron and steel industry. In almost every trade, the Trade Unions made, in one form or another, the demand for the eight hours day, and during the earlier

months of 1919 these demands were granted in the majority of organised industries.

The question of hours, however, led to the first really serious industrial crisis of the post-war period. On the Clyde and in Belfast local joint movements, extending over a number of industries, were launched in January, 1919. On the Clyde there was a general demand for the forty hours week, and in Belfast for the forty-four hours week. In both these centres general strikes were declared, with the support of the district organisations, but without the backing of the national Trade Unions. Both movements ended in failure, accompanied, on the Clyde especially, with a large display of military force by the Government. The rest of the country did not follow the Clyde and Belfast examples, and, isolated from the general movement, the local strikes gradually broke down, and work was resumed under the terms of the agreements concluded nationally. Thus, the forty-eight hours week became the maximum in most organised occupations, and a few trades secured a working week shorter than this ; but the movement for a general eight hours day (involving a maximum working week of forty-four hours) was defeated.

Meanwhile, a still more serious crisis was developing in the mining industry. On January 14th, 1919, the Miners' Federation of Great Britain met in conference and formulated a definite programme, including both increased wages and shorter hours and the public ownership and democratic control of the mining industry. Negotiations, in which the other parties to the Triple Alliance lent their support to the miners, coupled with the threat of strike action, continued up to February 27th, when the miners agreed to postpone their strike notices in return for the setting up of a Royal Commission on the Coal Industry, on which they were allowed to nominate or approve the choice of half the members, excluding the Chairman.

In the midst of this threatening situation the Government called together a National Industrial Conference, including all important organised groups of both employers and Trade Unionists. This Conference met on February 27th. On the employers' side, there were one or two groups which refused to be associated with the Conference, but its representative character was far more seriously interfered with on the Labour side, by the refusal

of four powerful groups, the Miners, Railwaymen and Transport Workers, forming the Triple Industrial Alliance, and the Amalgamated Society of Engineers, to take any part in its work. The Conference appointed a Provisional Joint Committee, equally representing the two parties, and this Committee at the beginning of April presented to a second National Conference a unanimous report recommending (1) the passing of a general forty-eight hours law, (2) the establishment of a minimum wage Commission, and (3) the setting up of a permanent National Industrial Council, equally representing employers' and workers' organisations. This third proposal was made by a second Conference contingent on the carrying into effect by the Government of the remaining recommendations. The Government did indeed draft Bills dealing with the minimum wage and the forty-eight hours week, but it insisted on so many exceptions to the latter that the Labour side of the Provisional Committee refused to accept the draft. Thereafter negotiations dragged on until the middle of 1921, but the Government refused to accept the Committee's report until the Labour side of the Committee, by resignation, finally brought the whole useless affair to an end.

There can be no doubt, however, that the protracted negotiations in which this body became engaged were an important factor in checkmating the post-war unrest of 1919. The entry of Labour into the Industrial Conference and the Coal Commission—the latter acclaimed at the time as a great Labour triumph—was the determining factor in tiding over the critical industrial situation of the first half of 1919. At the Industrial Conference the Labour representatives were able to secure the promise of considerable concessions, but this promise was not honoured when the time came for fulfilment, because the immediate danger which extorted it was no longer present. Similarly, before the Coal Commission, the Labour representatives were able to give a convincing exposure of the capitalist working of the industry, and to secure a majority in favour of public ownership and a measure of democratic control; but these recommendations, which the Government had pledged itself to honour, in Mr. Bonar Law's words, "in the spirit and in the letter," were equally disregarded when the time of the most urgent danger to capitalism had gone by. Views will differ as to the most probable results of a persistence in the

militant spirit which seemed to be gaining the upper hand at the beginning of 1919, but there can be no doubt that the Industrial Conference and the Coal Commission both gave the Government time to pass the point of most urgent danger without the development of a general militant policy on the part of Labour.

The " Sankey " Coal Commission began its work on March 3rd, pledged to present an Interim Report by March 20th. During this first stage of its inquiry, the miners' strike notices were suspended and not withdrawn, and there was still considered to be imminent danger of a national stoppage. The Interim Report, duly issued, conceded a wage advance of two shillings a shift, and, what was even more important, a reduction of the hours of labour for underground workers from eight to seven per shift. It also expressed the opinion that, even on the evidence already submitted, the existing system of ownership and working in the industry stood condemned, and that some system of public ownership or unification with joint control ought to take its place.

This Report, accepted by the Miners' Conference, put an end for the time to the crisis, and the Coal Commission resumed its labours, with the object of devising a scheme for the future regulation of the industry. The acceptance of the first Sankey Report, rather than the establishment of the Coal Commission, marks the definite cessation of the immediate Labour offensive.

Meanwhile, demobilisation was rapidly proceeding. This was obviously a dangerous process for the Government, which had to consider both the risks of trouble among the Forces if demobilisation was slow and the danger of placing huge bodies of men on the labour market before industry had readjusted itself for their reception. At times, serious trouble seemed to be threatening in certain camps, and discipline had to be greatly relaxed in order to keep the men quiet. If, at the same time, there had been a big Labour upheaval, the chances of trouble among the soldiers, and even of revolutionary disturbances, would obviously have been greatly increased. The averting of the Labour troubles, however, enabled the Government to carry demobilisation through without serious difficulty, and the great majority of the nearly 4,000,000 soldiers and sailors demobilised during 1919 were reabsorbed into industry within a short time. The number in receipt of ex-service donation benefit in November, 1919—a year after the signing of

the Armistice—was 353,000. The donation benefit, of course, acted as a powerful factor in preventing militant unrest.

The industrial atmosphere, however, continued to be threatening. In June the cotton workers struck on a question of wages, and in July the Yorkshire miners, in the course of a dispute arising out of the readjustments consequent on the March settlement. Troops, and naval ratings for pumping work, were hurried to the coalfield, and every attempt was made to overawe the miners, who finally returned to work after a compromise settlement, applying to all the coalfields, had been reached between the Government and the Miners' Federation. In July came also the unsuccessful strike of the Police Union, which had actually won a lightning strike in London the year before, against the Government Bill prohibiting Trade Unionism in the police forces.

The Yorkshire miners' strike followed immediately upon the Final Report of the Coal Industry Commission. The Commission, by a majority of one, pronounced in favour of the nationalisation of the mining industry, with some participation in control by the workers. Sir John Sankey's Report, urging these changes, was supported with reservations by the six Labour representatives. Of the six employer representatives five, including the three coalowners, advocated the retention of the existing system with few changes save the institution of arrangements largely based on the Whitley Reports. One, Sir Arthur Duckham, put forward a scheme of district unification of the mines under private ownership, but with some workers' representatives on the directorates, and subject to some measure of Government control. The miners, at their National Conference in July, expressed their willingness to give the Sankey proposals a trial, though they fell short of the Miners' Federation's own plan. They called upon the Government at once to redeem its pledges by carrying the Sankey proposals into effect. This the Government refused to do, and in August Lloyd George outlined, as the Government policy, a scheme of unification based on Sir Arthur Duckham's Minority Report, and popularly known as " Duckham and water." This was repudiated by owners and miners alike, and no more was heard of it. The miners then appealed to the Trades Union Congress, which, in September, passed a resolution calling upon the Government to nationalise the mines, and

threatening, in the event of its failure to do so, to take steps to compel it to act on the Sankey Report.

Attention was at this point sharply diverted from the mining industry by the threat of serious trouble on the railways. Throughout the year the railway Unions had been negotiating with the Government for a new wage agreement. In September a crisis was reached, the Government, in the famous " definitive offer " of Sir Eric Geddes, insisting on very large reductions as the cost of living fell. On September 26th a national railway strike was declared, and the railway service was almost completely held up until the settlement of October 5th. Emergency arrangements were made on a huge scale for road transport of food and other necessaries, a roll of volunteer blacklegs was instituted, and a great display of military force made. Lloyd George and other Ministers denounced the strike as an " Anarchist conspiracy," but, as a result of the full publicity secured for the railwaymen's case through an organisation improvised by the Labour Research Department, public opinion was brought decidedly round to the side of the workers. A contributing factor was the attitude of the printing workers, who threatened to refuse to produce the newspapers unless the case was fairly stated. Both the Government and the N.U.R., which was supported throughout by the Locomotive Engineers' Society, spent large sums on publicity ; but the workers, with a far smaller expenditure, had by far the better of the contest.

The railway strike profoundly stirred opinion throughout the Labour world. That it did not spread to other industries was largely due to the attitude of the railwaymen's leaders. No appeal was made by the N.U.R. to the Triple Alliance, and the function of mobilising general Labour opinion was assumed by a specially constituted Mediation Committee appointed at a conference called by the Transport Workers' Federation. This Committee, while threatening strike action in the last resort, used all its efforts to secure a settlement, and it was largely through its means that the N.U.R. and the Government were brought together and an agreement, on the whole favourable to the workers, reached on October 5th. Negotiations then continued on the new basis reached, and the full agreement was signed early in 1920.

The railway strike seemed for a moment to have brought back the acute Labour unrest of the early part of the year, but after its settlement feeling again died down, and the remainder of the year was marked by no great strike or strike threat. Of numerous small disputes, indicative of the general unrest, the most interesting was the strike of shop assistants at the Army and Navy Stores in December. The strikers won their demands for better pay, and gave a powerful impetus to Trade Union action among non-manual workers. On the other hand, the iron-founders, who struck in September for an advance in wages, were defeated and returned to work in January, 1920, with nothing gained.

Among the other most important events of the autumn were the big " snap " victories of Labour at the November local elections throughout the country, resulting, especially in London, in the temporary conquest of power by Labour on a number of local councils. These elections showed a big change of political opinion since the General Election of 1918. But the polls were very small ; and many of the most sensational gains were subsequently reversed.

Meanwhile, on October 29th, 1919, the First International Labour Conference under the auspices of the League of Nations met at Washington. Under the Treaty of Peace had been set up the International Labour Organisation, empowered to draft Conventions to be recommended to each country for incorporation in its legal code regulating labour conditions. The most important Convention drafted by the Washington Conference dealt with the hours of labour. It recommended, subject to a few exceptions, the universal enforcement of a maximum working week of forty-eight hours, and aimed at giving legal sanction everywhere to the changes already secured in the more advanced countries. The British Government, however, by refusing to ratify this Convention, provided other countries with an excuse for adopting the same attitude, and rendered it inoperative.

In November, 1919, the Wages (Temporary Regulation) Act was due to expire. It was not renewed, but certain of its clauses were continued in force in a modified form up to September, 1920, by the Industrial Courts Act, the existing rates of wages in each trade becoming a stabilised minimum up to the latter date. The

Industrial Courts Act also placed the Interim Court of Arbitration, under the new name of the Industrial Court, on a permanent footing as a voluntary Government Court of Arbitration without compulsory powers. Provision was further made for the establishment of a Court of Inquiry, with powers to take evidence, to deal with any particular dispute. It was under this clause that the Dockers' Inquiry of 1920 was set up. The Trade Unions agreed to this measure, after all traces of compulsory arbitration had been eliminated from the original draft.

Meanwhile, the Trade Unions had been considering what action should be taken in view of the Government's refusal to nationalise the coal mines. After the September Trades Union Congress further efforts were made, both by the miners and by the Labour movement as a whole, to persuade the Government to agree to nationalisation on the lines of the Sankey Report. These were unsuccessful, and, on the demand of the Miners' Federation, a Special Trades Union Congress was summoned in December, 1919, to consider the situation. This Congress decided to institute an educational " Mines for the Nation " Campaign, for the purpose of securing further support from public opinion. It was already clear that not merely the coalowners, but the whole body of employers, headed by the Federation of British Industries, would offer the most strenuous opposition to any form of public ownership and democratic control. The idea of Congress was to evoke in support of its demands a body of opinion too powerful to be resisted.

The attempt failed, both because the mere opinion of Labour had little influence on the Government and still more because it proved to be impossible to focus even working-class attention on this problem. When the adjourned Special Congress met in March, 1920, to consider its policy, the situation had appreciably worsened. The Coal Commission was no longer fresh in men's minds, and the mining industry was no longer the effective centre of interest. Congress took a vote between two courses—a general strike in support of its demands and political action (not further defined). The miners pressed for direct action, but Congress, by a large majority, decided in favour of political action, which in effect meant the indefinite postponement of the nationalisation issue.

While the general Labour movement was thus suffering a serious set-back—the more serious because the mining question had come to be regarded as the test issue between Labour and the Government—in a more limited sphere the workers were winning a notable success. Under the Industrial Courts Act the dockers secured, through the Transport Workers' Federation, a special Court of Inquiry to deal with their claims for higher wages and decasualisation of labour. The Court had as its President Lord Shaw, and consisted of employers' and workers' representatives in equal numbers. The dockers, led by Mr. Ernest Bevin, used their opportunity to the full, exposing both the high profits made by the port employers and the bad conditions and insecurity of the docker's life. The result was a report laying down a national minimum wage of sixteen shillings a day, subject to certain exceptions in the smaller ports. The parties were also recommended to work out and apply a comprehensive system of maintenance for the unemployed, combined with the decasualisation of dock labour.

The dockers thus secured a big victory on the wages issue; but the other recommendations have never been carried into effect. The Transport Workers' Federation did indeed prepare and submit to the port employers a scheme for the provision of "industrial maintenance." But meanwhile had come the trade slump, the growth of unemployment, and the beginning of the great capitalist counter-offensive of 1921.

The months immediately following the Dockers' Inquiry were a period of comparative quiescence—the lull before the storm. About the middle of the year wholesale prices, which had hitherto been rising sharply, began to fall—a clear forecast of the coming slump. Retail prices, however, did not show their first decline until almost the end of the year, and the imminence of bad times was still largely unrealised among the workers. Wages were to some extent protected under the regulative clauses of the Industrial Courts Act until the end of September, 1920, and could in any case hardly have been reduced as yet in face of still rising retail prices.

Into this ominous stillness of the industrial atmosphere came suddenly at the end of July the threat of open war of Great Britain upon Russia. Intervention in Russia by British troops

had, of course, been proceeding steadily, in support of one "White" General after another, almost since the November Revolution of 1917; but now came the threat of military action by Great Britain on a large scale in support of Poland in the Russo-Polish war then in progress. This threat gave rise at once to a great national movement of protest, in which Labour took the lead. The Labour organisations rapidly formed the Council of Action, which came into existence on August 9th, 1920. A National Labour Conference both authorised its formation and gave powers for the calling of a general strike against the war, and for the raising from all Trade Unions of a general levy to finance the movement. Spontaneously, local Councils of Action, based on the Trades Councils and local Labour Parties, were formed throughout the country. Excitement rose high; and the main body of public, and even of Press, opinion took for once the side of Labour. It speedily became clear to the Government that war was impossible and that persistence would give rise to a revolutionary situation. The Government gave way. There was no war.

But, in face of this partial success, the Council of Action, and the whole movement to which it had given rise, speedily melted away. It had been instructed to secure the effective reopening of trade with Russia and full recognition of the Russian Soviet Government, as well as to stop the war. But, its primary purpose accomplished, the impetus behind it was gone. The Council of Action was not dissolved; it ceased to exist. It was the last national rallying of the Labour forces before the slump.

In the second week of September, 1920, the Annual Trades Union Congress at Portsmouth at length took steps for the further consolidation of Trade Union forces. A scheme of "Trade Union Co-ordination," drawn up by a representative Labour Committee acting under Congress auspices, had already been approved in principle. A fully worked-out scheme was now adopted by the Congress, to come into force in September, 1921. The railway dispute of 1919 had forced into notice the inadequacy of the existing central machinery of Trade Unionism, and the new scheme was designed to prevent a repetition of the situation which then arose. The old Parliamentary Committee of the Trades Union Congress was scrapped and replaced by a new

General Council, more fully representative of each important section of workers and with far wider industrial powers and duties. The nature of the change is more fully explained in the next chapter.

While these events were in progress a serious national crisis was developing in the mining industry. In July the miners had put forward a demand for increased wages and also for a reduction in coal prices, claiming that the financial position of the industry was such as to allow of both demands being met. The Government unequivocally rejected the double claim, and a strike ballot showed a large majority for a stoppage. Strike notices were handed in, to expire on September 25th, and the miners approached their partners in the Triple Alliance with a view to enlisting their aid. Resumed negotiations led to a further deadlock. The next few days were spent in fruitless discussion by the Triple Alliance, which, unwilling to declare a stoppage, attempted in vain to promote a compromise. On September 24th it had become clear that there was no prospect of a Triple Alliance strike, and the miners accordingly suspended their own strike notices for a week, and resumed negotiations with the Government and the coalowners. By this time the question of coal prices, for lack of public support, had been dropped, and the dispute had come to be purely one of wages. New wage proposals were worked out, and the strike was again postponed in order that a ballot might be taken. The result was their overwhelming rejection, and the strike began on October 16th, 1920. It lasted until November 3rd, when a settlement was made on revised terms, a further ballot having resulted in rejection by too narrow a majority to sanction continuance of the struggle. Under the terms accepted a wage advance was granted, related to and dependent upon output (the so-called *datum line*). The scheme was to last only until the end of March, 1921, by which time the owners and miners were together to work out a more permanent settlement. The strike thus ended inconclusively, with the real issues only postponed to a season when, as it proved, the miners would be in a disastrously disadvantageous situation.

The miners' dispute of 1920 was important both in itself and as showing the radical defects of the Triple Alliance, which had not been tested either in the railway dispute of the previous year or

on any other occasion. The plan on which the Alliance was formed was that of simultaneous action by all three sections, each putting forward and fighting on its own programme, with the assurance of support from the other sections. This plan, in fact, was never tried. The railwaymen and transport workers were called upon to strike on an issue which directly affected only the miners, and it speedily became clear that this was very difficult to bring about. It is true that the railwaymen, almost on the eve of the settlement, did vote in favour of strike action in the miners' support. But the decision, afterwards cancelled with the miners' assent, was taken too late, when the harm had already been done by the collapse of the Alliance's strike threat before the stoppage had actually begun. It was widely held, after the dispute of 1920, that the Triple Alliance had been proved to be useless, and there was even considerable doubt of its continuance.

The dispute of 1920 is notable also because it gave rise to an Act of Parliament designed to clothe the Government with extraordinarily wide powers in dealing with any great industrial dispute. The Emergency Powers Act of 1920 enables the Government, on threat of any action calculated to " deprive the community, or any substantial portion of the community, of the means of life," " by interfering with the supply and distribution of food, water, fuel or light, or with the means of locomotion," to declare a " state of emergency." The Government is empowered, by Order in Council, to take any steps necessary for the preservation of the peace, for securing and regulating the supply of food and other necessaries, for maintaining transport, and for any other purpose vital to " public safety." All such regulations have to be laid before Parliament, and need its confirmation. The proclamation can only remain in force for a month, but can be renewed. At the instance of the Labour Party, the Bill was so amended as, at least in name, to preserve the right to strike and to exclude " industrial conscription " ; but, despite the disappearance of the Triple Alliance's strike threat, the Government insisted on passing it into law. It was put into force, and widely used, during the great mining disputes of 1921 and 1926.

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III

Labour in the Post-War Slump

The winter months of 1920 witnessed the beginning of a great industrial depression. The new Unemployment Insurance Act, applying compulsory insurance to practically all grades of workers, came into operation in November, and by the end of December there were already 691,000 unemployed, or 5·8 per cent. of the number insured. The numbers out of work rose very sharply during the early months of 1921, reaching 1,355,000, or 11·3 per cent., at the end of March and 2,171,288, or 17·8 per cent., exclusive of workers involved in disputes, at the end of June, when the national lock-out in the mining industry was just ending. Wages, for the most part, either rose or remained stationary up to the end of 1920, and the movement for wage reductions set in seriously with the new year. Already, however, in November, 1920, the shipyard joiners were forced into a strike against a proposed reduction in wages. They remained out until August, 1921, when a compromise was at last arranged.

During December, 1920, and January and February, 1921, three National Labour Conferences were held to deal with the question of unemployment. A national Labour policy of " Work or Maintenance " was drawn up and presented to the Government ; but the sole concession was a slight increase in the rates of unemployment benefit, and even this was cancelled, on the ground of the depletion of the unemployment fund, later in the year.

Meanwhile, the miners and owners had been meeting for the purpose of drawing up an agreement for the future regulation of wages and conditions after the expiry of the temporary settlement on March 31st. These negotiations were sharply interrupted by the Government's announcement that it proposed to introduce a Bill providing for the termination of State control of the mines on March 31st, instead of August 31st, the date laid down in the Coal Mines Act of 1920. The rapid fall in export

prices and the growth of depression at home had upset the financial basis of the industry, and decontrol on March 31st left no time for any new settlement to be worked out. The Government's announcement was only made in public on February 15th; but it is clear that the owners knew a considerable time earlier of its intention, and came to an agreement safeguarding their own financial position behind the backs of the miners. On the announcement of decontrol, they at once announced drastic reductions in wages, and, while the Decontrol Bill was still before Parliament, lock-out notices were posted throughout the coalfields. The Bill, in face of strong Labour opposition, became an Act on March 24th, and on March 31st the national lock-out in the mining industry began.

It was clear before this that the miners were in sharp opposition to both the owners and the Government with regard to the future regulation of the industry. The miners were intent on preserving the national system of wage regulation which they had secured under State control: the owners were determined to return to a district wage basis. The national basis desired by the miners clearly involved in some measure the treatment of the whole industry as a single financial unit. The miners' proposal was the establishment of a National Pool, drawing upon the surpluses of one coalfield in order to maintain wages in another at the level fixed by a National Wages Board.

The mining lock-out lasted from March 31st to the end of June, when it ended in the defeat of the miners, and the enforced acceptance both of the district basis for wages and of an agreement under which earnings fell rapidly to a point ranging from 20 to 40 per cent. above the pre-war level. The dispute fell sharply into two parts. During the first fortnight, it seemed likely to develop into a general struggle, involving the railwaymen and transport workers, and probably other trades: after April 15th this prospect vanished, and it became a struggle of attrition against the miners alone.

Immediately upon the beginning of the dispute, the miners appealed for aid to their partners in the Triple Alliance. After full discussion, and repeated attempts to bring about a settlement, the Alliance declared for a strike of all sections on April 12th. This was on April 8th, and on this day the Government proclaimed a "State of Emergency" under the Emergency Powers Act.

Even more extensive military preparations than in 1919 or 1920 had been made : the parks were again requisitioned and filled with troops and supply depots ; the reservists were called to the colours and a special Defence Force enrolled. Every attempt was made to overawe the Triple Alliance with a display of force. Meanwhile a tentative reopening of negotiations took place. The Government had sought to insist, as a condition of negotiations, that the safety men, who had received notices and had stopped with the rest, should resume work. This was refused, but the Miners' Federation issued orders that the men who were engaged on pumping and similar operations should not be molested, and thereupon the Government again met the miners. In view of this the Triple Alliance, on the 12th, agreed to postpone its strike action to the 15th. But on the 14th negotiations again broke down, the Government siding with the owners against the national basis of settlement demanded by the miners. An informal meeting of M.P.'s thereupon endeavoured to mediate, and to these on the evening of the 14th, Frank Hodges, the secretary of the Miners' Federation, made what was understood to be an offer to enter into a temporary wage settlement, waiving for the time the miners' main demands. On the following morning this proposal was rejected by a small majority by the Miners' Executive. The Triple Alliance thereupon met, and decided, in face of the miners' refusal, to call off the strike of the other sections. The day on which this decision was taken has come to be known in the Labour movement as " Black Friday."

The ignominious collapse of the Triple Alliance in April, 1921, has sometimes been regarded as a mere betrayal of the miners by their allies. In fact, this view of the situation is unjust. The trouble, aggravated by personalities on both sides, really arose out of the ambiguous nature of the Alliance itself. As we have seen, the original idea behind it was that the three sections should fight as one, but each on its own programme. No provision was made for " sympathetic " action, in the shape of a united strike in support of one section only. When, therefore, the situation had to be faced, the Alliance had no satisfactory means of dealing with it. The miners claimed that their Allies ought to strike when they were bidden ; but the railwaymen and transport workers replied by claiming that, if the miners wanted their support, they

must also take their advice. In other words, J. H. Thomas and his colleagues claimed the right to settle the dispute as they thought fit, and to command the miners' acceptance of their decision. The miners would have none of this, and called on the Alliance for unconditional support. Clearly, the case ought to have been definitely provided for in advance ; as it was not, a clash, very similar to the clash between the miners and the General Council in 1926, was almost inevitable.

Nevertheless, the Triple Alliance's collapse was widely felt among the workers as a mean desertion of the miners in their trouble. And this feeling was accentuated when the fact of defeat could not longer be burked.

The withdrawal of the Triple Alliance left the miners to struggle alone. At last, at the end of June, when their resources were completely exhausted and further credits could not be obtained, the Executive agreed to terms, and, despite an adverse majority on a ballot vote, ordered a return to work. A temporary Government subsidy was used to ease the fall in wages during the following months, but when the period during which it was available ended, wages fell rapidly to the minimum provided for in the agreement—20 per cent. above a standard rate, which was in most cases little above the rate paid in July, 1914. For certain of the lower-paid grades, it became absolutely necessary to fix a subsistence wage at a slightly higher level.

The miners thus suffered overwhelming defeat, followed by a heavy decline in Trade Union membership. The coal lock-out, indeed, struck a heavy blow at the whole Labour movement, and was the real beginning of a general offensive by the employers against the wages and conditions secured since the War. The demand for wage reductions now spread rapidly from industry to industry, and the general fall in wage rates began. Already, the shipyard workers, faced with serious unemployment, had accepted reductions. The engineers attempted to resist, but in July were compelled to agree to similar terms. Building trade wages were reduced in May, and the seamen's at the same time ; the ships' cooks and stewards, who attempted to resist by means of a strike, being defeated in face of the surrender of the other sections. In June, the wages question led to a general lock-out in the cotton industry, ended by the acceptance of substantial

reductions. In one industry after another wages came tumbling down.

The passing of the "Reconstruction" period was further marked, on July 19th, by the dissolution of the National Industrial Conference, the Trade Union side, which had held on until then in the hope of securing the passage of the Hours Bill and the other proposals agreed with the employers in 1919, resigning in protest at the Government's refusal to carry its own promises into effect.

On August 14th, 1921, Government control of the railways came to an end, and on August 19th the Railways Act, reorganising the railway service on a basis of private ownership, came into force. Railway decontrol was accomplished without any industrial dispute, on the basis of terms agreed upon between the companies and the Trade Unions. As part of the bargain a plan for workers' representation on the railway directorates, put forward by the Government in the summer of 1920, was dropped, but the Wages Boards, created in connection with the National Agreement which followed the dispute of 1919, became statutory bodies, and Consultative Councils, based on the Whitley scheme, were established for each railway. The same Act established a Railway Rates Tribunal to oversee charges, and provided for the compulsory amalgamation of the railways into the four great "grouped" companies which now cover the whole of Great Britain.

Meanwhile the pressure of unemployment was being more and more severely felt, as the depression was prolonged. The number out of work fell after the mining lock-out, but then, with the coming of winter, rose to 1,934,000 by the end of December. By the end of 1921 the Trade Unions alone had spent at least £7,000,000 in enemployment benefit, and in many cases their funds were nearing exhaustion.

The depression fell with exceptional severity on certain industries and districts, and, as the scheme of Unemployment Insurance failed either to cover the whole of the workers or to provide benefits adequate in duration or amount, ever-growing numbers of the unemployed were driven to the Poor Law for relief. As the distress continued, the Boards of Guardians in the poorer districts found increasing difficulty in meeting the claims upon them. This was specially the case in London, where Poor Law administration was divided among a large number of separate Boards. There

was great difference in the wealth of the various areas, and some of them, such as Poplar, found the claims made upon them more than could be endured. Unable to bear the strain upon its resources, the Poplar Borough Council at length refused to pay the sums required from it by the London County Council and other authorities in respect of services adminstered by them. This action was taken as a protest, and in order to force the Government to come to the aid of the poorer areas. On September 1st, 1921, on account of this refusal to pay, the majority of the Poplar Councillors were committed to prison for contempt of Court. The struggle continued for six weeks longer, but at the end of this time the Government rushed through Parliament a temporary Act placing the cost of outdoor relief more largely on the Metropolitan Common Poor Fund, and thus distributing the burden between the richer and poorer districts in the metropolis. The militant policy of the Poplar Labour Councillors thus resulted in an important success, but, the conditions of Local Government in London differing largely from those in other parts of the country, the victory was mainly local, and the Boards of Guardians in other depressed areas continued to stagger under a burden too heavy to allow the payment of reasonable maintenance. Even in London the Ministry of Health was able in most districts to prevent the Guardians from paying relief beyond an inadequate maximum scale fixed by the Government.

In the midst of the Poplar dispute, the Government struck yet another formidable blow at the workers. The Agriculture Act of 1920 had provided for the continuance of the Agricultural Wages Board set up during the war, and thus given the labourers the assurance of a legal minimum wage. In the late summer of 1921 the Government suddenly reversed its policy, and rushed through Parliament the Corn Production Acts (Repeal) Act, under which both the guaranteed prices given to the farmers and the minimum wage accorded to the labourers were swept away. The reason given was one of economy. Agricultural prices were falling fast, and the guarantees to farmers promised to cost a great deal of money. The Government contended that guaranteed prices and the minimum wage were parts of a single bargain with the farmers, and that, if the one went, so must the other. Labour protests were unavailing; the huge anti-Labour majority in

Parliament voted the Agriculture Act of 1920, and with it the Wages Board, out of existence. Agricultural wages fell rapidly throughout the country, and the rates paid under the Board were in many cases almost halved by successive cuts. Twenty-five shillings a week became the normal labourers' wage in many counties. Trade Unionism in the rural districts melted away much faster than it had grown after the Act of 1917.

The autumn of 1921 also saw the beginning of what was destined to be by far the greatest industrial dispute of the following year—the rupture between the Amalgamated Engineering Union and the Engineering Employers' Federation on the questions of overtime and workshop management. In January, 1922, the engineers rejected an agreement demanded by the employers, and recommended, owing to the adverse trade conditions, by their own Executive. This agreement would have placed the working of overtime practically at the sole discretion of the employer, whereas the workers contended that, save in emergency, overtime should be worked only by mutual consent. The employers thereupon accused the A.E.U. of interfering with the management of their businesses, and delivered an ultimatum that it should not merely accept the overtime terms, but also sign a definite undertaking against interference with the "managerial functions" of the employers. This was refused, and the employers, on March 11th, locked out all members of the A.E.U. They also delivered to all the other Unions in the industry—numbering no less than forty-seven—an ultimatum in similar terms. The other Unions also rejected the ultimatum, and lock-out notices were given to their members also. Negotiations were thereupon reopened, and on April 4th the other Unions agreed to accept certain terms as a basis for reopening discussion, while the A.E.U. rejected this basis, which practically gave the employers what they wanted. The lock-out of the other Unions was thereupon suspended, but the resumed negotiations broke down and lock-out notices were shortly afterwards reissued, and the stoppage extended to all the Unions. On April 27th the dispute was referred to a Court of Inquiry under the Industrial Courts Act, which reported on May 10th, mainly in favour of the employers, but had no power to bring the dispute to an end. There was no real change in the position during the rest of May, except that the employers made

an unsuccessful attempt to break the Unions by re-opening the shops to men willing to accept their terms. At length, on June 2nd, all the Unions except the A.E.U. and two others accepted terms slightly modified. The other two Unions shortly followed suit, and at last, on June 13th, the A.E.U. also had to accept defeat, its very large resources having been completely exhausted by the struggle.

While the engineering dispute was in progress, wage reductions were being enforced in a number of other industries. Nor were the onslaughts confined to the organised trades. For a long while there had been fierce attacks by employers upon the Trade Boards Acts. These attacks had resulted, in September, 1921, in the appointment of the Cave Committee, to investigate the whole working of the Acts. This Committee reported in April, 1922. It recommended the continuance of the Trade Boards, and disposed of the more serious charges against them, but proposed drastic restrictions in their scope. The opposition, happily, proved to be so strong that the Government introduced no legislation modifying the Acts. Trade Boards, however, have followed the action of employers in other trades by rapidly reducing wage-rates.

Throughout the years 1922 and 1923 wages continued, on the whole, to fall. There was, however, during the latter year a considerable increase of unrest. In February there was a big builders' strike in the Eastern Counties, caused by an attempt to reduce wages and increase working hours ; and in March a national stoppage on the same issues was averted at the last moment by a reference to arbitration. In the same month occurred a strike and lock-out of the agricultural workers in Norfolk, where, as in most of the agricultural districts, wages had fallen to starvation point in consequence of the slump. This ended in a compromise. In April, J. Havelock Wilson's National Sailors' and Firemen's Union accepted a drastic cut in wages, followed by unofficial strikes of seamen at many of the ports. The Union, however, helped the shipowners with " loyal " labour, and the strikers were defeated. In May, a dispute about overtime conditions led to a national lock-out of the boilermakers, which lasted until November, when the workers at length accepted defeat. Meanwhile, in July, there were wide-

spread unofficial strikes of dockers throughout the country. The strikes were for higher wages ; but the men were at length persuaded to return on the old terms on the Transport Workers' Union promising to launch a national movement. At the same time, the Miners' Federation opened negotiations for an improved agreement to replace the enforced settlement of 1921.

Meanwhile, political Labour had by no means shared in the effects of the Trade Union slump. The Labour Party went into the General Election of 1922 with only 75 members, and came back with 142. And when, a year later, towards the end of 1923, Baldwin suddenly dissolved Parliament and again appealed to the country on the Tariff Reform issue, the Conservatives lost 90 seats, and the Labour Party gained 48, returning to the new House 191 strong. The Conservatives were still the strongest party, but were in a minority of 89 against Liberals and Labour combined. The Liberals, after some hesitation, decided to help in turning out the Government, and placing the Labour Party in office. Accordingly, on January 22nd, 1924, the first Labour Government was formed, with Mr. Ramsay MacDonald as Prime Minister.

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IV

The Guild Movement

It was in the dispiriting period described in the preceding section that the practical Guild movement among the Trade Unions ran its troublous course. Guild Socialist propaganda, as we have seen, progressed rapidly during the years of war. The National Guilds League, formed in 1915, campaigned with energy. It influenced the shop stewards, profoundly modified the old State Socialist attitude of the Independent Labour Party, and largely helped to form the new constructive demands of the Miners' Federation for public ownership and workers' control. Always small, it had in its ranks able writers and speakers who were able to exert an influence quite disproportionate to their numbers. Whitleyism was largely framed as a counterblast to its ideas; and its effect on Socialist and Trade Union policy was deep and widespread.

Until the end of 1920 Guild Socialism remained purely a propagandist movement. But for some time an attempt to apply some of its ideas in practice had been under discussion. The first move came from the building industry, where employers and operatives had formed during the War a "Builders' Parliament," subsequently reorganised as an Industrial Council recognised under the Whitley scheme. A committee of this "Parliament" produced, in 1919–20, a drastic plan for the reorganisation of the industry, signed by a number of employers as well as leading Trade Unionists. Under this plan, the employer was to become virtually a salaried servant, and the industry, hiring its capital at interest, was to be conducted in partnership by its managers and operatives. Attached as an appendix to the report was a complete plan for a National Building Guild.

It was hardly to be expected that such a scheme would carry the main body of the employers with it. In fact, it did not; but it set the minds of the operatives on the question of Guild organisa-

tion, and at the end of 1920, under the leadership of S. G. Hobson, a well-known Guild Socialist, the Manchester building Trade Unions launched a Building Guild wholly under Trade Union control. Almost at the same time an ex-employer and Guild Socialist, Malcolm Sparkes, persuaded the London operatives to launch the London Guild of Builders.

The movement spread with extraordinary rapidity, until the whole country was covered with a network of Building Guilds, which in 1921 mostly joined to form a single body, the National Building Guild. What made possible this astonishing growth was mainly the acute need for houses and the steps taken by the Government in order to meet it. Under the Housing Acts passed just after the War, it was possible for building contractors to work with little capital, securing payment for the work done as it proceeded. The new Guilds succeeded in getting the consent of the Ministry of Health to their employment by local authorities as contractors, under an agreed model scheme, which satisfied the Guild principles of workers' control and production at cost without profit. The Co-operative Wholesale Society and the Co-operative Insurance Society gave some help with finance, and work to a value of over £2,000,000 was taken in hand. The Guild workmanship was agreed to be in most cases excellent, and their costs on the whole well below those of private contractors. They attracted the best operatives, and carried on the work, under Trade Union auspices, with real and effective workers' control. There seemed to be no reason why the Building Guilds should not extend to cover the entire industry. In a number of other trades —clothing, furnishing, pianoforte-making, etc.—small Guilds on the model of the Building Guilds were set up, and flourished for awhile.

Then, in 1922, the whole movement began to crumble away. The Government had drastically revised its housing policy ; and the new terms made it impossible for the Guilds to continue at work without large capital resources which they had no means of securing. They might, perhaps, have saved themselves at this stage by a drastic curtailment of their activities. But their members wanted to carry on, without realising the financial difficulties in the way. Living from hand to mouth on unstable credit, and buying dear from this cause, the National Building

Guild plunged to disaster, dragging down with it the local Guilds, many of which were in excellent condition. At the end of 1922 a receiver was appointed to wind up its affairs. The local Guilds made some efforts at reconstruction ; but faith had been utterly shaken, and they could get neither contracts nor credit. Gradually, the entire movement melted away, followed by the Guilds which had arisen on a smaller scale in other industries.

The Guild Movement of 1920–22 inevitably recalls the great Owenite Builders' Guild of 1834, which ended similarly in disaster. It was, indeed, an almost impossible task that, in both cases, the building operatives set themselves to carry through. They had no capital, and they would not attempt to get capital on ordinary capitalist terms, because their principles excluded production for profit. When they built cheaply, as they often did, they handed the saving on the contract price back as a present to the local authority or other body which employed them. They could thus build up no capital out of profits. And, as they made no profits, they could stand no losses. The Trade Unions, however sympathetic, could not afford to finance them adequately ; for they were compelled to keep their funds liquid for the payment of benefits and the financing of trade disputes. In these circumstances, the Guilds attempted to dispense with capital in a Society which makes capital indispensable. If the Government's Housing scheme had not been altered, they might have won through by getting their capital from it in the form of payment down for work done. But as soon as the Government reversed its policy, the failure of the Building Guilds, except on a very modest scale, was practically inevitable.

The collapse of the Building Guilds brought down with it the organised Guild Socialist Movement as a whole. A small section of the Guild Socialists had at an earlier stage joined the Communist Party, and another had followed after a Major Douglas, a currency fanatic. The National Guilds League, after the rise of the Building Guilds, merged itself in a new body, the National Guild Council, on which the Trades Union Congress and a number of Trade Unions, as well as the working Guilds, were represented. This body died away after 1922. The Guild Movement thus perished as a movement ; but it left its permanent impression on the doctrines and policies of Trade Unions and Socialist bodies

alike. Its special contribution was made in this way; after the failure of the working Guilds, there was no longer an adequate reason for its separate existence.

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V

Labour in Office

The Labour Government of 1924 assumed office under very difficult conditions. It held its position purely upon Liberal sufferance. Any attempt to apply a Socialist policy meant immediate defeat, followed either by a new election, or by a Liberal-Conservative Coalition. The pursuance of a policy which would command Liberal support was likely, on the other hand, to be productive of very scanty results and to provoke strong criticism among its own followers. It elected, however, to follow the latter policy, and to content itself with such small measures as it could carry through with Liberal support. Before its fall in October, the Labour Government passed, besides Philip Snowden's " Free Trade " Budget, four measures of importance—John Wheatley's Housing Act, Noel Buxton's measure restoring the legal minimum wage in agriculture, an Act raising Old Age Pensions, and an amendment of the Unemployment Insurance system. In addition, it reversed the policy of drastic economies in education and other social services, inaugurated by its predecessors in consequence of the slump, and, after granting formal recognition to Russia, negotiated, but did not survive to ratify, a formal Russian Treaty. It also carried through the famous " Dawes Plan " for the stabilisation of German finances under Allied control, and attempted, without much success, to persuade the nations of Europe to pursue a more sociable and pacific policy. As an earnest of its good intentions, it restricted naval construction, and suspended work upon the new Singapore naval base. But its term of office was too short for the Labour attitude to foreign policy to exert any really considerable effects.

Considering the difficulties in its way, the Labour Government of 1924 really achieved a good deal. Indeed, if we assume the rightness of the policy of assuming and trying to retain office at all under the conditions which then existed, it could not well have

done more. For, apart from actual opposition, it had to face the impossibility of " managing " a House of Commons in which its supporters were in a serious minority. The conditions offered the maximum of opportunity for obstruction ; and they were exploited to the full in order to delay any business which the Labour Government wished to advance. Ramsay MacDonald and his colleagues may have been right or wrong in the general policy which they followed. Whatever they did was bound to appear wrong at the time to a large number of their followers, and to look wrong, or at best insignificant, in historic retrospect. The Labour Government has been given less than due credit for what it achieved. Philip Snowden's Budget was, perhaps, no more than a perfectly competent exercise in orthodox Free Trade economics ; but the Wheatley Housing Act, by far the most important measure of the session, deserves to rank as the initiation of a new policy in social reform. Though the Government disappointed its supporters, that was largely because they were disposed to judge it by an abnormally high standard, and also because of the unfortunate blunders which marred its last days of office. In the difficult parliamentary situation, the Government's position was complicated by a recurrence of industrial troubles. The very existence of a Labour Government, coupled with a distinct, though not very great, improvement in the trade situation, was enough to cause a considerable extension of industrial disputes. A big strike on the railways was actually in progress when the Government was formed. The National Railway Wages Board under the Railways Act of 1921 had decreed considerable adverse changes in railway wages and conditions, particularly at the expense of the locomotive grades. These changes were accepted by the National Union of Railwaymen ; but the rival Union, the Associated Society of Locomotive Engineers and Firemen, struck against them, gaining small concessions, but on the whole failing in face of the maintenance of services by N.U.R. members. In February came a national dock strike, the aftermath of the troubles of 1923 ; and this time the men were successful in securing advances in wages. Strikes of tramwaymen and busmen followed in March, and were also successful ; but an unofficial stoppage on the Tube railways in June ended in defeat. Meanwhile, in April, came yet another national lock-out in the shipyards, arising

out of a local wage dispute at Southampton, and ending in the reference of the dispute to arbitration.

In May, the threatened national dispute in the coal mines ended without a stoppage, the miners securing an agreement which raised their wages considerably above the minimum level fixed in 1921. The new settlement, however, was only to last for a year, and was the direct precursor of the troubles of 1925–26. In July came a big builders' strike, met by the employers with a national lock-out, and ending in a compromise on both hours and wages. Also, there were throughout the year a great many minor disputes. The number of strikes rose from 628 in 1923, to 710 in 1924, and of strikers from 405,000 to 613,000. In addition, a large number of workers started negotiations for improved conditions, with indifferent success. Except in the mines, which had been restored to temporary prosperity by the Ruhr occupation, the wage changes of the year were mostly small.

In October, the Government gave an opportunity to the Liberals, who had been growing more and more restive, to trip it up. It first started, and then as suddenly dropped, a prosecution of J. R. Campbell, the Communist editor, for certain articles in his paper, *The Workers' Weekly*. In itself, the incident was trivial ; but it coincided with the negotiations over the Russian Treaty, against which most of the newspapers, and many of the Liberals in Parliament, were up in arms. The Campbell case, woefully mismanaged by the Cabinet, furnished a most convenient chance for turning the Government out of office. Defeated in the House of Commons, Ramsay MacDonald dissolved Parliament on October 9th.

In the General Election which followed, one thing—the famous " Red Letter "—overshadowed all others. In the midst of the election the Foreign Office suddenly despatched to the Soviet Government a strong note of protest against its subversive propaganda in Great Britain, producing as evidence a letter of instructions alleged to have been sent by M. Zinoviev, on behalf of the Communist International, to the British Communist Party. This note came as a bombshell, especially as MacDonald was himself Foreign Secretary and presumably responsible for it. Labour speakers, till then actively defending the Russian Treaty, found themselves apparently repudiated by their leader, and knew not

what to say. The Communists stated that the " Red Letter " was a forgery, and this came later to be generally believed, at least in Labour circles. But for the time being, MacDonald remained mysterious and equivocal, and the " Red Letter " served both to bewilder his supporters and to rally hundreds of thousands of slack or doubtful voters to the Conservative cause. After the election, a Labour Cabinet Committee reported that there was nothing to show whether the letter was genuine or not. But by then all was over except the shouting. Labour lost 42 seats and the Liberals actually 119 out of 158. The Conservatives gained 152, and returned to Parliament with a huge clear majority over both the other parties. Immediately after the election Ramsay MacDonald resigned, and Baldwin resumed office.

The Labour Government thus ended in inglorious fiasco, as the result of a series of muddles, the making of which is still wholly beyond understanding. Their followers were already restive before these events, and naturally they added to the vehemence of criticism. It seems probable that, in deciding to attempt to govern with Liberal support, MacDonald, whether he was wise or unwise, correctly interpreted the wish of the majority of his supporters. But the most active, though by no means the most numerous, section of the Labour Party consisted of the Socialists organised in the I.L.P. MacDonald was himself the old leader of the I.L.P., and his Government was largely drawn from its ranks. But the I.L.P. as a body, finding that the Government could not, or would not, pursue a definitely Socialist policy, became growingly critical, and came, especially after 1924, to form a sort of organised " left wing " opposition within the Labour Party's ranks. From the episode of Labour in office, in 1924, certainly dates the emergence of a new type of " left wing " Socialism, hostile to Communism on the one hand and to moderate Labour on the other, and grouping itself partly in the I.L.P. and partly round the one really individual figure in the British working-class movement of to-day—George Lansbury. " Socialism in Our Time " became, after 1924, the slogan of these two groups, whose activity—and especially that of *Lansbury's Labour Weekly*, helped to prepare the way for the industrial militancy of 1926.

Labour's first brief term of office brought neither the ruin prophesied nor the benefits for which its supporters had hoped. Its chief result was, both by encouragement and by reaction, to clear the ground for the events of the next two years.

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CHAPTER IX

THE "GENERAL STRIKE" AND AFTER

1. The Rise of the General Council
2. The Coal Question
3. The "General Strike"
4. Aftermath—The Trade Union Act

I

The Rise of the General Council

The organisation of the Trades Union Congress remained, at the end of the War, almost what it had been at the time of its formation half a century before. Congress itself met annually for a week, and wrestled with an enormous agenda of resolutions sent in by the affiliated Societies. The sole executive was the Parliamentary Committee, originally formed largely to carry through the Trade Union reforms of the eighteen-seventies, and still retaining many traces of its origin. Apart from the expulsion of the Trade Councils in 1895, there had been no important changes in Congress structure.

Its position in the working-class movement, however, had radically altered. As the name of the Parliamentary Committee implied, Congress in its early days was regarded mainly as a means of bringing pressure to bear on Parliament in connection with industrial legislation. It was not regarded, and did not regard itself, as a Trade Union legislature appointing an executive responsible for the co-ordination of the industrial work of the movement. Thus, when closer industrial unity was felt to be necessary in 1898, Congress did not itself undertake the task, but set up an independent body, the General Federation of Trade Unions.

The formation of the Labour Representation Committee—also by a decision of Congress—created a new situation. After 1900, and still more after 1906, the Trade Unions looked to the new and purely political body, rather than to Congress, to deal with matters needing parliamentary action. The Parliamentary Committee of Congress continued to go an annual round of deputations to Ministers ; but these became more and more formal and less and less important. Gradually losing its old functions, and failing to find new ones, the Parliamentary Committee counted for less and less. It played, except for a brief period during the Dublin

struggle, hardly any part in the great industrial movements of 1910–14.

In 1918, though the Parliamentary Committee had been drawn largely into war-time activities as the most representative industrial body in the movement, nothing had been done to re-define its position, or to confer upon it any industrial powers. When the national railway strike broke out in 1919, and revealed an evident need for some central co-ordinating body for the movement as a whole, the Trade Unions did not use the Parliamentary Committee, or the Parliamentary Committee claim to be used, for this purpose. They created a new *ad hoc* Mediation Committee, representing the Trade Unions which desired to help the railwaymen in their struggle.

An effect of the railway strike, which had threatened to become a generalised struggle between Labour and the Government, was to arouse in the working-class movement a keen sense of the need for effective central co-ordination. There were in existence at the time five bodies which might conceivably have been made the basis for this co-ordination. But the failure of the General Federation of Trade Unions, with less than one-fifth of the total number of Trade Unionists in its ranks, to become more than a strike insurance society for a limited group of Unions was by this time generally accepted. Up to 1916, indeed, the G.F.T.U. had been recognised as a co-ordinating body, and given status as an equal member, with Congress and the Labour Party, of the Labour Joint Board. But in that year, after a quarrel with the Miners' Federation, the G.F.T.U. was expelled from the Joint Board, and lost its representative status—a decision further confirmed when the International Federation of Trade Unions was re-formed in 1919. Congress then took the place of the G.F.T.U. as the British section of the International.

The second possible claimant was the Triple Alliance, which it had been often proposed to widen so as to include other industries. But the industrial basis of the Alliance, and the obvious difficulty of providing for simultaneous termination of trade agreements over a wider field, practically ruled the Alliance out of court.

The third claimant was an *ad hoc* Federation of the Trade Unions, which formed the workers' side of the National Industrial

Conference of 1919. Just as the employers' side of the Conference did actually develop into the National Confederation of Employers' Organisations, so the Trade Union side had thoughts of becoming a central body co-ordinating the industrial work of the Trade Unions. But the abstention of the Unions forming the Triple Alliance and of the Engineers prevented the development of this plan.

There remained the *ad hoc* Mediation Committee formed during the railway strike, and the Trades Union Congress with its Parliamentary Committee. In the result these two bodies joined with the Trade Union side of the National Industrial Conference in drawing up a scheme for the reorganisation of the Trades Union Congress as an effective confederation of Trade Unions.

Their plan, provisionally approved in 1919, was ratified in 1920, and came into force in the autumn of 1921—too late to be used in the great mining dispute of that year. It abolished the Parliamentary Committee, and replaced it by a Trades Union Congress General Council, representative of each of the great industrial groups in very rough proportion to their importance. Special seats were also reserved to women, and it was provided that, while nomination should be made by the Unions in each group, the Council should be elected by vote of the whole Congress. At the same time, the Congress Standing Orders were radically altered, so as to give the General Council a clear mandate for the co-ordination of Trade Union forces in great industrial disputes affecting the movement as a whole. The functions were clearly defined ; but the powers were not. The big Trade Unions were ready to agree to the creation of a co-ordinating body ; but they were not willing to give it definite powers of action at the expense of their own autonomy.

Before the change had come actually into effect, circumstances arose which called for a trial of the new authority. The threat of a general strike, and the improvisation under Congress of a Council of Action, over the Russo-Polish crisis of 1920, foreshadowed the new lines of development. In 1921, owing to the presence of the Triple Alliance, Congress was not seriously called to act in the mining dispute. But after " Black Friday " the Triple Alliance was dead ; and it was clear that in any future

crisis the movement would look to the new General Council to take the lead.

During the next few years the General Council gradually increased its authority. Along or in conjunction with the Labour Party through the Joint Labour Council which had replaced the Joint Board, it attempted mediation in a number of disputes, and it also came more and more to be looked to as the arbiter in inter-union differences. Its powers, however, were still not clearly defined; for, though the granting to it of fuller authority was repeatedly discussed, the Unions were still jealous of their autonomy and reluctant to make a definite surrender of any part of it. Until 1925, the General Council was not called upon to act in any matter which raised acutely the question of its authority. Indeed, it seemed as if it might not be called upon at all; for in 1925, under the leadership of Ernest Bevin and the Transport Workers' Union, an attempt was made to revive the defunct Triple Alliance on a broadened basis and in a new form. The refusal of the National Union of Railwaymen to co-operate in the "Industrial Alliance," except on terms which the other Unions would not accept, delayed the realisation of the project; and the mining crisis of 1925 came upon the Labour world while it was still only in embryo. In these circumstances, it was to the General Council that the miners turned for help in their trouble, with results which culminated in the "General Strike" of 1926.

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II

The Coal Question

The coal question has been described earlier in this book as the symbolic issue of the post-war labour struggle. The successive troubles in the coal industry were in essence struggles between Capitalism and Socialism as rival social policies and attitudes. This happened, both because the Miners' Federation was incomparably the strongest Trade Union in Great Britain, and because the coal industry was buffeted about above all others by the ups and downs of post-war economic fluctuations. It should be added that miners and mineowners alike are stubborn folk, tenacious and unadaptable, and therefore out of their element in a world of rapid change needing above all the constant application of new methods and new ideas.

After the disastrous struggle of 1921, the coal industry settled down to bad times. Wages, under the dictated terms of the 1921 agreements sank very low ; but the beaten miners were in no position to offer any resistance. Then, in 1923, the Ruhr occupation brought a purely temporary prosperity. Coal exports rose higher than in the record year, 1913 ; and miners' wages rose in sympathy as high as the unfavourable terms of 1921 would allow. Under the influence of the revival, the Miners' Federation set out to negotiate an improved agreement. This the coalowners at first refused ; but finally, as we have seen, a new agreement was signed in 1924, providing for a substantially higher minimum wage. There can be little doubt that the principal reason for the coalowners' acceptance of this was the fact that a Labour Government was in power, and would, in default of their agreement, have framed a new Miners' Minimum Wage Act, raising the wages by law. The owners, therefore, signed ; but the operation of the new agreement was limited to a single year.

Long before its expiry in the summer of 1925, both the Labour Government and the temporary prosperity of the coal trade were

over. The owners, with criminal stupidity, had done nothing to improve the efficiency of the industry in preparation for the bad times. Exports and export prices were falling fast; and the coalowners, in order to save themselves from their own folly, were demanding, not only a return to the wage conditions of 1921–24, but also the repeal of the Seven Hours Act of 1919, and the resumption of the eight hour day. Negotiations reached a complete deadlock; and it became clear that a national coal stoppage was imminent.

In deciding to resist firmly the owners' claims, the miners were well aware that the economic conditions were against them. The owners, in face of depression and falling prices, would not greatly mind a stoppage, whereas the miners had not yet fully recovered from the defeat of 1921. In these circumstances, the Miners' Federation appealed to the General Council for help. Arguing that the coalowners' attack was only the first move in a general onslaught on wages and working hours, they urged the whole of the Trade Union movement to make common cause with them in resisting the demands, and in insisting on a solution of the coal industry's recurrent troubles.

The Trade Unions were, indeed, at this time widely threatened with fresh attacks on their standards and conditions. The slight upward movement of 1924 had proved to be purely transitory, and trade generally was again on the down grade. Employers were everywhere arguing that labour costs were too high, and pressing for lower wages as a means of reducing them. Instead of improved efficiency of management, low wages were, as usual, preached as the cure for all troubles. Moreover, among the workers, what counted most of all was an acute sense of shame for the events of 1921. Then, it was felt, the other Unions had left the miners shamefully in the lurch, and "Black Friday" was largely blamed for the working-class tribulations of subsequent years. It was felt to be impossible to leave the miners to fight their battle alone, or to urge acceptance of the owners' drastic terms. In July, 1925, the Trades Union Congress pledged its full support to the Miners' Federation, to the length, if need were, of a general sympathetic strike.

This threat was at once effective in causing the Government to intervene. Baldwin proposed a temporary subsidy to the

coalowners in order to allow the existing wages and conditions to be maintained. This subsidy was to continue while a new Royal Commission investigated the immediate issues in dispute and the position of the coal industry as a whole, and prepared a scheme for dealing with both. Though there was trouble over the refusal to allow any Labour representative to sit on the Commission, the offer was finally accepted, and all threats of stoppage withdrawn pending its report.

Thus, for the fourth time since the War, a tribunal of investigation set to work to study the problem of the coal mines. The Sankey Royal Commission of 1919 had definitely recommended, by a majority, nationalisation with some measure of workers' control; but its advice had been rejected by the Lloyd George Government. The Buckmaster Inquiry of 1924 and the Macmillan Inquiry of 1925, both under the Industrial Courts Act, dealt only with wages and hours, and did not touch the root problems of the industry. But now the Samuel Commission, composed of two well-known Liberals and two big employers, was instructed to go into the whole question afresh.

It was obvious from its composition that the new Commission would not recommend nationalisation of the mines, or any drastic interference with their private control. It did, in fact, propose nationalisation of royalties, organisation of research, and encouragement of colliery amalgamations designed to improve efficiency, to be backed up by compulsory powers if after some years voluntary methods definitely failed. As a means of dealing with the immediate situation, it suggested wage reductions considerably less than the owners claimed. The increase of working hours it rejected, unless the miners preferred this to the wage reductions otherwise proposed. The coal subsidy, which had been admittedly fixed on the most idiotic basis imaginable, so as to put large sums into the pockets of prosperous owners who did not need them, was to be definitely discontinued.

The Commissioners' Report, issued early in 1926, pleased neither party. The miners repeated their slogan, "Not a penny off the pay, not a second on the day," and called on the Trade Union Movement as a whole for support. The owners reiterated their demand for heavier reductions in wages and for longer hours. The Government, despite the again and again proved necessity for

drastic reorganisation, and the manifest incompetence of the coal-owners, only undertook to adopt the Report on condition that it was accepted by both parties to the dispute—a condition which it knew would not be fulfilled. After a series of futile negotiations a complete deadlock was reached. The miners renewed their appeal to the Trades Union Congress for support, and the General Council found that it must either repeat its strike threat, or ignominiously climb down. A general conference of Trade Union Executives was called, and voted with practical unanimity in favour of strike action. Eleventh-hour negotiations with the Government failed ; and on April 30th, 1926, the miners were locked out. On May 4th the sympathetic " General Strike " began. Already it had been made abundantly clear that the Government and the coalowners were hand in glove.

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III

The "General Strike"

Up to the very last moment, there was a lively hope among the Trade Union leaders that the trouble would be averted. In order to avoid any appearance of "provocative" action, they made practically no preparations for the strike, whereas the Government, with no such scruples, was fully prepared at almost every point. The Unions, indeed, was deceived by the apparent effectiveness of their mere threat to strike in the previous year. They thought that Baldwin had capitulated, when in fact, as the subsequent events clearly showed, his Government had only been gaining time. They thought, if not that the walls of Jericho would fall instantly at the blast of their trumpet, at least that Baldwin, that constant preacher of "goodwill," would meet them half-way. Their hopefulness seems to have lasted through the final negotiations, up to the very moment when, on the flimsy pretext that the *Daily Mail* machine men had refused to print a leading article hostile to the strike, the Cabinet banged the door of the conference room in their face. Then they returned in a bewildered condition to Eccleston Square, to carry into effect a threat which frightened those who made it, and one they were by no means in readiness to implement.

The Trade Unions had declared war ; but their leaders had not meant to be taken at their word. The Government took them at their word. The shilly-shallying Baldwin was swept aside and the Tory militants, headed by Winston Churchill, took charge of the situation.

Strictly speaking, the "General Strike" was not a general strike at all. The General Council called out only the "first line" of the Labour forces—the railwaymen and transport workers, the iron and steel workers, the builders and the printers. The rest were held in reserve. The aim was to stop transport and certain other key groups, and to shut down the Press, mostly vehement in

its denunciation of the strike as a declaration of war against the community. Few doubt now that the stopping of the Press was a mistake. It gave Churchill the chance for his hate-breathing, inflammatory, vile-minded *British Gazette*, and the Government, through its command of broadcasting, almost complete control of the dissemination of news. It enabled Churchill, for example, almost wholly to destroy the effect of an appeal for peace issued by the Archbishop of Canterbury. It left the strikers largely without news ; for there were great difficulties in the circulation of the *British Worker*, the temporary paper which replaced the *Daily Herald*. And this, in any case, hardly reached the outside public at all. Above all, it was the one feature of the strike that really made the middle-classes believe Churchill's ravings about " revolution." The absence of the morning newspaper was, for the middle-class householder, the symbol of working-class revolt. It is, however, easier to see such errors after the event.

The response to the strike call was practically universal. The manual workers in the trades involved came out solidly, and remained, with only insignificant breakaways, solid to the end. A very high proportion of the non-manual workers came out with them, and remained hardly less solid. There can be no doubt that the completeness of the stoppage astonished, not only the Government, but hardly less the strike leaders themselves. Everywhere, local Councils of Action were formed to take charge of the situation ; and, despite the lack of preparation, effective strike machinery was everywhere improvised with extraordinary skill and rapidity.

The Government, for its part, adopted throughout a highly provocative line, in strong contrast to the counsels of peace, moderation and order constantly issued by the strike leaders. It armed special constables in thousands, called out troops and reservists, and issued what was practically an incitement to violence in the form of a promise of full support to any act these might commit in repressing the strike. It arrested and imprisoned hundreds of strikers under the Emergency Powers Act, which was at once brought into use. And the tone of its pronouncements, alike in the *British Gazette* and elsewhere, was as provocative as could have been. Meanwhile, with the aid of a host of volunteers, it organised emergency services for the transport

of food and other commodities. The power of the motor-lorry in supplying for a short period the place of the railway was plainly demonstrated ; and the possibility of running road services with chance volunteers, as the railways could not be run save to a very small extent, showed clearly the impossibility under post-war conditions of making even the most extensive strike an effective instrument of national blockade. Doubtless, if the struggle had been protracted, the emergency services would have begun to break down. But no " general strike " is ever likely to last long ; and for the purpose in view the Government's methods were certainly efficient enough.

From the first the strikers' only real chance of success lay in frightening the Government into surrender or persuading it into compromise. The temper of the Government throughout the dispute excluded the latter solution, which the strike leaders would, of course, have welcomed. The struggle therefore became one of *morale*—it was a question of the side that would crumple up first. But, with Winston Churchill in command and thoroughly enjoying the " scrap," the Government was not likely to crumple up. Baldwin might have done so ; but he had been flung into a corner until he was needed to pronounce the final benediction. All things considered, the strikers had from the first little real chance of winning. Their only chance lay in the emergence of a peace movement so strong as to overthrow Churchill's command of the situation. But this could hardly develop in face of the shutting down of the ordinary means of publicity.

The rank and file of the strikers, however, had little understanding of the situation at headquarters. They had struck, and they were standing firm, and they did not see why they should not win. They had even, for the most part, little understanding of the class-war spirit that had been stirred up against them. Most of them were striking out of loyalty to the movement, and in order to support the miners on what seemed to them a purely industrial issue. There were revolutionaries among them, no doubt ; but these were a tiny minority, and even they steered clear of talking revolution to the main body of the strikers. The rest did not understand the savage rally of the men of property round the sacred ark of the capitalist covenant that their uprising had provoked. They did not see why Churchill was shouting about

revolution when they only wanted him to give the miners a "square deal."

The strike leaders, meanwhile, were in a vastly complicated state of panic. They were afraid of their own followers—afraid at the same moment that they would drift back to work and that they would get out of hand and imitate Churchill by giving the strike a revolutionary turn. They were afraid of the Government and afraid of themselves, afraid to lead and afraid to admit failure.

Their position was admittedly difficult. They had called the strike (which they had at most only half meant to call at all) in a last moment hurry and without reaching any clear understanding with the miners as to its objects. It was all very well to talk of a "square deal"; but what sort of deal was square, and how much squareness could be secured in face of the coal industry's economic plight, the blockheadedness of the coalowners, and the Government's refusal to take reorganisation in hand? The need for a precise definition of objects became evident. The General Council wanted to work for a compromise on the lines of the Coal Commission's Report; but Herbert Smith and A. J. Cook, the miners' leaders, met every suggestion with a fresh incantation of their formula, "Not a penny off the pay, Not a second on the day." Relations soon became strained between the miners' leaders and their allies.

At this point Sir Herbert Samuel, the Liberal Chairman of the late Coal Commission, made his unofficial incursion into the dispute. Ostensibly on his own authority, and without consulting the Government or anyone else, he produced the "Samuel Memorandum," embodying proposals for a compromise rather better than those in the Commission's Report. The General Council, apparently believing that these terms had the Government behind them (Sir Herbert Samuel is known to have consulted Baldwin about them), agreed to recommend them to the miners. But the miners' leaders would have none of them. A definite breach followed, and without further consultation with the miners or the rank and file, and without any understanding from the Government either as to the Samuel terms or as to reinstatement, the General Council, on May 12th, called off the strike, and, through the various union executives, ordered an

immediate return to work, incidentally cancelling the order just previously issued calling upon the " second line," the engineers shipbuilders and certain other trades, to join in the stoppage.

The unexplained order to resume work everywhere bewildered the strikers, who had no idea what had happened. The Government organs and the small newspapers which had gradually reappeared with the aid of blackleg labour announced the utter collapse of the strike and the unconditional surrender of the General Council. When copies of the *British Worker* arrived, they put quite a different complexion on the matter. From the *British Worker* it appeared that the strike had been honourably settled on the basis of the Samuel Memorandum. The General Council were trying to cover up defeat in order to get the men to resume work. Their effort very nearly failed. The railwaymen went to work, but found many of their number refused reinstatement, and instantly came out on strike. Only a hasty settlement between the railway Unions and the companies prevented something like a general resumption of the stoppage. For the strikers did not feel beaten, and as soon as they realised that their leaders had secured no terms there was widespread resentment and disgust. For some days, however, the position remained too uncertain for anyone to be sure just how matters stood. It was but gradually realised that the collapse of the " General Strike " had left the miners still locked out, to make the best terms they could or struggle on alone.

In retrospect, both the declaration of the " General Strike " and its ignominious collapse look inevitable. The General Strike " myth " had haunted the working-class movement ever since the days of Syndicalism and labour unrest before the War. It had revived powerfully in 1919, and had been behind the successive attempts at the consolidation of Trade Union forces. It was by no means, in the minds of the workers, an essentially revolutionary idea. On the contrary, the basis of its appeal was a simple feeling that all the workers were subject to the same dangers, and that all must stand together in meeting them. It was as a weapon of defence, and not of aggression, that the General Strike idea won most of its adherents. The employers, it was said, had their National Confederation and their Federation of British Industries. They did not need a general lock-out to enforce their will,

because they were the people who controlled industry as things were. But they did hang together, and they did pursue a common anti-Labour policy. The workers too must act together. When one industry was attacked, the rest must rally to its support. This would probably cause the other side to give way, or at least to accept a compromise. If it would not, then, and not till then, in the very last resort, the workers must fall back upon their last constitutional weapon—the General Strike.

To the Government, however, the " General Strike " appeared in a different guise—as a challenge to the duly constituted authority of the State. Even Churchill can hardly be supposed to have believed that the strikers, or the members of the General Council, were attempting to overthrow the State, or that he and Sir William Joynson-Hicks had heroically saved the country from bloody revolution. But it was easy for them to work up their feelings so as to produce this illusion temporarily on the middle-class mind, and even on their own. And what they did believe was that the time had come to deal with the long-continued uppishness of Labour, and to teach the working classes a salutary lesson. A chance so good that compromise would have been a disaster, and the use of the *Daily Mail* incident for breaking off negotiations was an act of national duty as well as a very " cute " move.

From the standpoint of the workers the " General Strike " can hardly avoid looking rather foolish. Those who organised it embarked upon it without any understanding of its inevitable consequences. They look, in the eyes of history, as inept as the German Nationalists of 1848. The Government looks, if not foolish, wantonly reactionary and perfidious in the extreme. The only people who come well out of the affair are the ordinary strikers ; and they, naturally, got the worst of it. For the return to work was followed by an orgy of victimisation.

BOOKS

Fyfe. Behind the Scenes of the Great Strike.
Plebs League. A Workers' History of the Great Strike.
Arnot. The General Strike.
Glasgow. General Strikes and Road Transport.

IV

Aftermath—The Trade Union Act

The miners kept up their resistance for more than six months after the collapse of the "General Strike." It was obvious throughout this time to every observer that they were bound to be defeated; but they held out grimly and obstinately even after they themselves had lost hope. The Government, after the collapse, soon turned more and more openly against them. It repealed the Seven Hours Act of 1919, and so opened the way for the coalowners to increase hours as well as reduce wages. It caused pickets to be arrested, and refused to allow the Proclamation under the Emergency Powers Act to lapse. It waged war, through its Minister of Health, Neville Chamberlain, on those Boards of Guardians which sought to use public money for relieving the distresses of the men on strike. It repudiated the Samuel Report, refusing either to nationalise coal royalties or to apply any effective measures of compulsion to the coalowners in any part of their business.

Meanwhile, the workers throughout the country had raised funds in the miners' support until the whole movement was drained dry. Still more substantial support had come from the Russian Trade Unions; but the strain was too great to be indefinitely borne.

In the end, the men were literally starved into surrender. There were sporadic returns to work first in the Midland counties, and then elsewhere. At length, in November, the miners were compelled to accept terms even worse than those of 1921, involving both terribly low wages and the extension of working hours. Many of the coalowners made savage use of their victory, victimisating active Trade Unionists and using every chance of destroying old working customs and making the men smart under the consciousness of servitude. They were getting their own back, they

freely said. And, worst of all, the condition of the industry grew more and more desperate, in face of falling prices and intensified competition ; and nothing, or next to nothing, was done to set it again on its feet.

The Government, having tasted reaction, wanted more. It felt that the Trade Unions were down, and it could not bear to miss the chance of stamping on their face. Accordingly, the " General Strike " of 1926 was followed by the Trade Disputes and Trade Unions Act of 1927.

During the " General Strike " there had been a considerable controversy over the question whether the movement was lawful or illegal. The Liberal, Sir John Simon, who took a violent part against the workers, pronounced it illegal, and attempted to frighten the workers with the fear of legal penalties. A certain Mr. Justice Astbury, best known as a judge whose previous decisions on Trade Union law were admittedly unfortunate, took the same side, and in deciding a case during the strike plunged into a long and irrelevant series of *dicta* denouncing it as illegal. Many lawyers held, on the other hand, that there was nothing illegal about it. It was, of course, true that, in striking, many workers had broken contracts of employment and were liable for civil damages on that account. But this was a purely civil and not a criminal matter, and had nothing to do with the legality or illegality of the strike itself. In the Trade Union Act of 1927, ostensibly in order to clear up these doubts, the Government, with the aid of its huge parliamentary majority, pronounced illegal, not only the General Strike, but all sympathetic strikes on any considerable scale. It further drastically altered the law of picketing, so as to put the Trade Union picket back almost into the unenviable position he occupied before the Act of 1859, banned all regular State employees from belonging to any association or federation not consisting wholly of State employees, inaugurated a new and highly dangerous procedure of legal injunction, on the Government's motion, against " illegal " strikes, made it possible, in connection with such strikes, for Trade Union funds to be attacked as in the Taff Vale case, and destroyed the Trade Union Act of 1913 by substituting " contracting in " for " contracting out " in the clauses enabling Trade Unions to spend money on political action. After the passing of the new Act, no Trade

Union could collect any money for its political fund except from members who had actually signed a form expressing their desire to contribute for this purpose.

This extraordinarily drastic measure was, in addition, so ill drafted that, pending the decision of actual cases in the courts, no Trade Union could tell what would be its precise effects. As a Bill it was fought line by line in the House of Commons; but the huge Conservative majority carried it through without any substantial changes. They were still engaged in teaching the workers a lesson. Meanwhile, bye-elections went steadily and heavily against the Government; and there seemed every chance that the Act would not long survive the next General Election.

The Trade Union world of 1927 was, however, weak and dispirited after its defeat; and the Labour Party, though still gaining political adherents, shared in the general depression. The Independent Labour Party tried to keep matters alive with its slogan "Socialism in our Time"; but, despite its efforts, the movement languished. The Communists undoubtedly made adherents fast in 1926 and 1927 among miners and others disgruntled and inclined to despair of all moderate courses. On the other side, a few Trade Unionists of standing split away, and endeavoured to form "non-political" Trade Unions in alliance with the employers, especially in the Midland coalfields. Liberalism, too, began again to bid for working-class support with a policy of social and industrial peace, profit-sharing, and a hotch-potch of similar "remedies" for unrest. Thus attacked from both sides, the working-class movement held sullenly on its way, disillusioned and weary, but showing scant inclination to be torn from its old loyalties. The active minds in the movement were already groping for a new policy of their own; but it was evident that a year or two must pass before the effects of 1924 and 1926—of political and industrial set-back—would wear off, and Labour be ready to resume its gradual, but broken, advance.

BOOKS

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Asquith. Trade Union Law for Laymen.

CHAPTER X

THE CONDITION OF THE WORKERS IN THE FIRST QUARTER OF THE TWENTIETH CENTURY

The Condition of the Workers in the First Quarter of the Twentieth Century

The nearer the approach to the present, the harder the task of inducing order in the unsifted mass of facts presented by memory and current record. In the story of the past, the wood stands out, distinct from the trees ; but the present is all trees in which the wanderer is often lost. In this attempt to estimate the changes in the condition of the workers during the first quarter of the twentieth century, it is hard to get beyond the mere crude facts and figures to any reckoning of their significance.

The task is the harder because the period is sharply broken and, by any estimate, utterly abnormal. The greatest war in human history cleaves it into two, upsetting every traditional method of measurement and making very difficult any precise assessment. For, in 1927, the temporary effects of the War are with us still ; and who can with confidence disentangle them from the permanent changes due to it or proceeding apart from it ? We can say, roughly, how the life standard of the workers and the division of the national income have changed since 1900 ; but we cannot say how far the actual changes in 1927 are influenced by factors likely to be transient in their effects.

Certain of the bare facts are simple enough. In 1896 the long period of falling prices came to an end, and a slow rise set in. Between 1896 and 1914 wholesale prices rose nearly 40 per cent. and retail food prices about 25 per cent. Then, with the War, came a complete upsetting of the whole price-system. Between the outbreak of war and the Armistice wholesale prices rose by about 135 per cent., and the cost of living by at least 120 per cent. In 1919 the rise was checked ; but in 1920 it was resumed more swiftly than ever. At their peak in the spring of 1920, wholesale prices, according to the official figures, were 225 per cent. above the level of 1913, and the cost of living reached in November, 1920, a peak 176 per cent. above the level of August, 1914. There followed, first for wholesale and then after an interval for retail

prices, an extraordinarily sharp fall. For 1921 the average level of wholesale prices was about double that of 1913, and for 1922 less than 60 per cent. above it. Thereafter the fall ceased, and prices became stable within fairly narrow limits. The cost of living meanwhile averaged 126 per cent. above the pre-war level in 1921, 83 per cent. in 1922, and 74 per cent. in 1923, when it too for the time reached a condition of relative stability.

What of wages? Between 1896 and 1914 money wages rose, on the average, by perhaps 20 per cent., but by only 6 per cent. between 1900 and 1914. Thus, as we have seen earlier in this book, the economic position of the workers, as measured by wage-rates, had definitely been getting worse. During the war years wage-rates still lagged behind prices, standing at the end of 1918 at something appreciably less than twice the pre-war amounts. In 1919 the position improved, and wage-rates rose by about 20 per cent., in a time of relatively stable prices. They leapt up again in 1920, reaching at the peak a point perhaps 175 per cent. above the pre-war level, and thus almost exactly compensating the average worker for the rise in the cost of living.

Thereafter, in the slump, wage-rates declined, but lagged behind falling, as they had behind rising, prices. At the end of 1921 they were from 110 to 115 per cent. above pre-war level, in 1922 from 70 to 75 per cent., and in 1923 from 65 to 70 per cent. Thereafter they rose and sank again, fluctuating round about a level corresponding to the change in retail prices.

It is, however, necessary to qualify these figures a good deal before drawing from them any general conclusion about the condition of the working class. In the first place, wage-rates are not earnings. In times of prosperity, overtime and high piece-work balances cause real earnings to rise a good deal faster than rates of wages, while in periods of depression they fall much lower because not only do these " extras " disappear, but discontinuous and part-time employment brings them heavily down. Thus, in the matter of earnings, the average worker was worse off in the bad times of 1927 than in the good times of 1914, although the change in wage-rates was balanced by the change in the cost of living.

Secondly, an average is in this case highly misleading; for wages have risen and fallen very unevenly in different trades. In

the middle of 1925 the wage-rates of printers, tram conductors, employees of local authorities, railwaymen (except engine-drivers), painters and builders' labourers, boot and shoe operatives, and chemical workers were all 100 per cent. or more above the levels of 1914. On the other hand, skilled engineers were only 45 per cent., shipwrights 35 per cent., South Wales steelworkers 21 per cent., cotton operatives 61 per cent., and iron miners from 30 to 40 per cent. above these levels. This wide difference is, of course, largely due to the different economic position of " sheltered " and " unsheltered " trades. The trades chiefly engaged in export had for the most part cut wages to the bone, whereas in the industries unaffected by foreign competition the workers had been far more successful in retaining some of the gains of the prosperous years. It has, however, to be remembered that certain classes of workers, such as railwaymen, were grossly underpaid before the War, and that their large percentage gains still in many cases left their actual wages very low.

Thirdly, there had been in most occupations a decrease in working hours, owing to the widespread adoption of a working week of forty-eight hours or less. This meant very different reductions in different trades ; but in almost all the change was fairly considerable. How far the reduction affected output it is hard to say. It was officially estimated in 1927, on the basis of comparing the two Censuses of Production, that output per worker was about the same in 1924 as in 1907. The conclusion was drawn that technical improvements had about balanced the fall in working hours ; but it is probable that in 1907, the more prosperous year of the two, a good deal more overtime was worked than in 1924, and the workers were a good deal more continuously employed. Output per man-hour had therefore almost certainly increased appreciably.

Fourthly, wages are not the sole determinant of the standard of living. Between 1914 and 1927 there was a slight fall, due to the lower birth-rate, in the average size of the family—a factor of course making for an improved standard. There was further a great increase in the social services provided wholly or partly at the public expense. Old Age Pensions, Workmen's Compensation, and Health Insurance came before 1914, with Unemployment Insurance for a few trades ; and between 1914 and 1927

there were added almost universal Unemployment Insurance and Widows' Pensions, as well as an extension of free schooling. The worker, of course, helped largely to pay for these benefits, both by direct contributions and indirectly through taxation ; but their total effect was certainly some improvement in the standard of life, and a considerable increase in security against absolute destitution.

On the whole, then, despite the prolonged slump, the workers were not worse off in 1927 than in 1914, and may even have very slightly improved their economic position. Certain important groups, however, including many of the former skilled " aristocrats of labour," had suffered a serious reverse of fortune ; and even for the so-called " sheltered " trades there had certainly been no resumption of the great advance in the standard of life which was practically continuous during the latter half of the nineteenth century. While wages in the United States had risen in purchasing power by about one-third since 1914, real wages in Great Britain had been standing still. Nor was there in 1927 any sign of early improvement. The prevailing pressure was, if anything, towards even further reductions in money wages, especially in the " sheltered " trades, which were already, by any human standard, grossly underpaid.

If real wages had remained practically stationary, what of relative wages—that is, of the share of wages in the total income of the community ? The latest estimate available is that of Professor Bowley and Sir Josiah Stamp for the year 1924 as compared with 1911. According to this estimate, wages represented about the same proportion of the real income of society at the two dates, or approximately 43 to 44 per cent. This omits in both cases incomes from foreign investment. If these were included, the share of the workers would be substantially lower, but higher in 1924 than in 1911, owing to the loss of overseas investments during the War. The actual figures given for 1911 and 1924 are as follows : wages, £800,000,000 and £1,600,000 ; real incomes originating at home, £1,868,000,000 and £3,647,000,000 ; incomes from abroad, £200,000,000 and £212,000,000. This on the whole agrees with the conclusions drawn from the wage figures, and also serves to show that any *relative* improvement in the position of the working class is almost wholly due to the decrease in the tribute drawn by British capitalists from abroad.

All such calculations are, of course, liable to a large margin of error, and only the most general conclusions can be based upon them. We shall not, however, go far wrong if we describe the position between the workers and the capitalists in 1927 as one of stale-mate.

If the life standard of the workers changed little as a whole, either absolutely or relatively, during the first quarter of the twentieth century, their outlook and social habits certainly changed a great deal. The working-class consumption of alcohol greatly decreased, though immensely high taxation, in part the source of the decrease, caused the national drink-bill to rise, and made the incidence of the taxes on the worker more severe. Education greatly improved in both quantity and quality. The elementary school improved its methods ; and there was a very rapid growth of public secondary schools increasingly accessible to working-class children. From the foundation of the Workers' Educational Association in 1903, adult education spread rapidly among the workers. It spread much faster still after 1919, when new bodies, such as the largely Marxian and dogmatic National Council of Labour Colleges, challenged, but did not equal, the developing activity of the W.E.A. With the growth of education went a rapid spread of culture, and a great extension of the reading public. This had the evil effect of largely adding to the power of the millionaire-run press, to which the *Daily Herald* and the few Labour weeklies still offered, in 1927, only a pitiable challenge ; but the good far more than made up for this unavoidable evil.

The workman of 1927 certainly dressed better, probably ate better, was sometimes (though by no means always) rather better housed, than the workman of 1900. He was on the whole healthier, and his children considerably so. He amused himself more, especially with the cinema and the wireless, and was altogether less distinguishable in manner, appearance and habits from large sections of the middle classes. It follows that he saved less. The Victorian virtue of thrift suffered a heavy blow in the days when rising prices made a pound saved shrink rapidly to half its value, and the conditions of the following period of falling prices were not such as to encourage the resumption of the habit. Moreover, far more than his forebears, the workman of post-war days claimed

the right to enjoy himself, and was not prepared to live unrelaxed days of labour in order to save himself from destitution in old age. The growth of social insurance also diminished the urgency of the call to put by for a rainy day. Finally, this change of habit certainly applied to the rich as well as the poor. It was not only the workman who took to spending to-day what his father or grandfather would have stored up for to-morrow.

The most marked change of all was in the position of the working-class woman. The Women's Sections were in 1927 among the best and most active parts of the Labour Party; the Women's Guilds were rapidly becoming the real leaders of opinion in the Co-operative Movement; and in Trade Unions, in educational classes, and in every working-class activity women were playing a steadily increasing part. The change was, indeed, much greater in some places than in others, and on the whole the mining community lagged behind; but it was everywhere very great indeed. No less profound was the change in the appearance, the outlook and the social habits of the working-class housewife or factory girl. Woman's political emancipation counted for little directly; but the change of which it was the outstanding sign was perhaps the greatest of all the changes of the twentieth century.

Politically as well as socially, the working-class attitude to life had undergone a significant change. Not the whole working class, but practically the whole active membership of the organised working-class movement, had become, in a broad sense, Socialist. In 1900 the Socialists were still a small group; even in 1914 their hold on the Trade Unions was by no means complete. But by 1927 the Labour Movement as a whole had become practically a Socialist Movement. Mildly Socialist, no doubt; but definitely it had accepted the Socialist programme offered to it, and, if the Socialists were still preaching to it as to the unconverted, this was because they had found fresh things to preach rather than because it had not accepted their doctrine.

The number of active and well-informed workers in the various sections of the movement had greatly increased. The growth of a Labour press and the foundation of bodies like the Labour Research Department (created as a section of the Fabian Society in 1912, but of late semi-Communist in attitude) and the official Research and Information Bureau of the Labour Party and Trades

Union Congress, combined with the multiplication of books and pamphlets dealing with economic and social questions and with the growth of education to increase greatly the common stock of knowledge on these matters ; and the rise of the Labour Party to political influence undoubtedly aided this development. Some political and economic knowledge at least became part of the normal equipment of the average worker.

And yet——.. If there is a " but," is it not largely because the working class is now judged by far more exacting standards than ever before ? It has staked out a claim to be no longer a subject class, but to take the lead in ruling the world. By this standard it has come to be judged. It is often alleged that the workman of to-day lacks the fortitude and determination of his Victorian forebears. Perhaps he does ; but it is not only in the working class that the ostentatious possession of these often disagreeable qualities has gone out of fashion. Perhaps we are a degenerate age, worthy of the scorn of our forerunners. But, after all, what age was not ? It is nearer the relevant truth that we have far harder problems to face than ever confronted the Victorians. We are, on the whole, perhaps a little better equipped for facing them. But are we well enough equipped ? There lies the doubt, which the development of the working-class movement during the next generation will, the one way or the other, surely resolve. We have at least, to help us, a higher average level of intelligence and knowledge than any of our ancestors. And these are no mean things.

For of one thing at least we may be sure. We have not all time before us. Within a brief space of years it will have been settled whether or no Great Britain is a decaying country, memorable chiefly for her past greatness—a museum and place of pilgrimage for the early historic age of industrialism. At the point to which this history proceeds Great Britain is not standing still ; she is wobbling. She may topple over the edge, or she may make a new civilisation to replace that of which the world's changed conditions have made a misfit and a muddle. In this task, she has, at any rate, to help her, a higher average of intelligence and knowledge than in any generation before. And these, we may hope, are no mean equipment for the task. The working-class movement has, in the years immediately before it, a hard

row to hoe ; but, when all is said, it has come through worse things.

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Bowley. The Division of the Product of Industry before the War.
Siegfried. Post-war Britain.

CHARTS AND FIGURES

WAGE-RATES, PRICES AND EMPLOYMENT, 1900–1914
(1900 = 100).

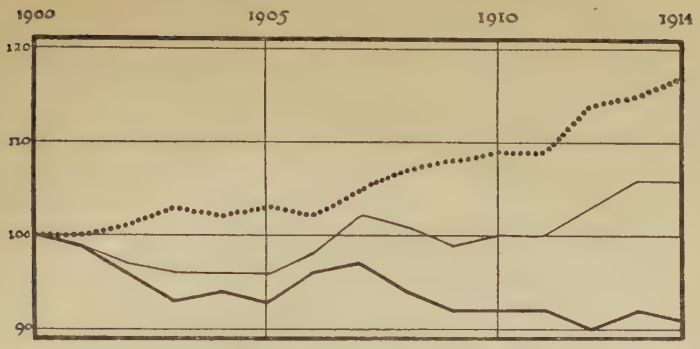
Date.	Retail Food Prices (London).	Money Wages (excluding Agriculture).	Real Wages (Rates without allowing for Unemployment).	Employment per cent. (*i.e.*, Unemployment reversed).
1900 .	100	100	100	97
1901 .	100	99	99	97
1902 .	101	97	96	96
1903 .	103	96	93	95
1904 .	102	96	94	94
1905 .	103	96	93	95
1906 .	102	98	96	96
1907 .	105	102	97	96
1908 .	107	101	94	92
1909 .	108	99	92	92
1910 .	109	100	92	95
1911 .	109	100	92	97
1912 .	114	103	90	97
1913 .	115	106	92	98
1914 .	117	106	91	97

WAGE-RATES, PRICES AND EMPLOYMENT, 1914–1926
(July, 1914 = 100).

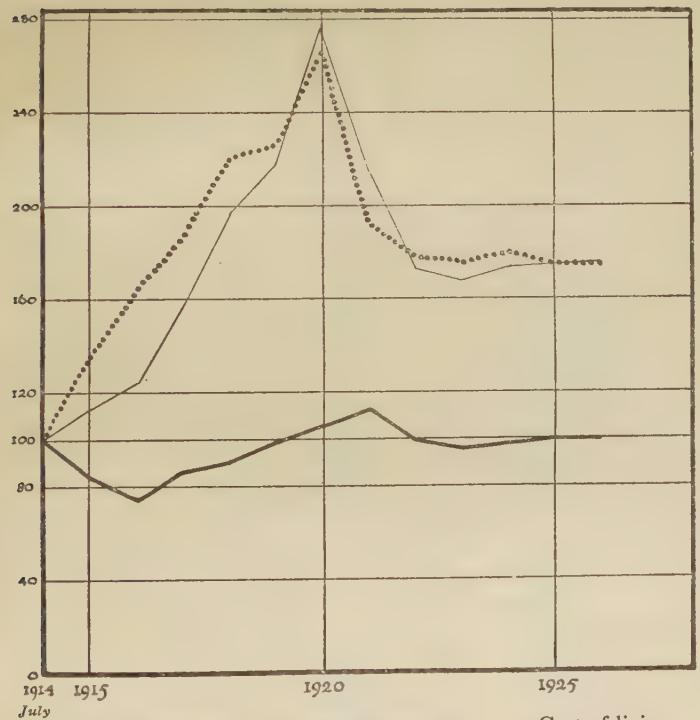
Date.	Cost of Living. (end of year).	Money Wages. (end of year).	Real Wages (end of year).	Employment.	
				Trade Union.	Insured Workers.
1914 .	100*	100*	100*	97	96
1915 .	135	110–115	83	99	99
1916 .	165	120–125	74	100	99
1917 .	185–190	155–160	84	99	99
1918 .	220	195–200	90	99	99
1919 .	225	215–220	97	98	—
1920 .	265	270–280	104	98	95
1921 .	192	210–215	111	85	83
1922 .	178	170–175	97	85	85
1923 .	177	165–170	95	89	88
1924 .	180	170–175	96	92	90
1925 .	175	175	100	89	89
1926 .	175	175	100	88	88

* July, 1914.

WAGE-RATES AND PRICES, 1900–1926



—— Real wage-rates. — Money wage-rates. .... Retail food prices.



—— Real wage-rates. — Money wage-rates. .... Cost of living.

NOTE.—The figures in the two charts are not continuous. The upper chart is on a scale four times larger than the lower. It should be observed that the wage figures refer to rates of wages and make no allowance for unemployment, short time or overtime, which largely affect actual earnings. No satisfactory cost of living figures are available until 1914.

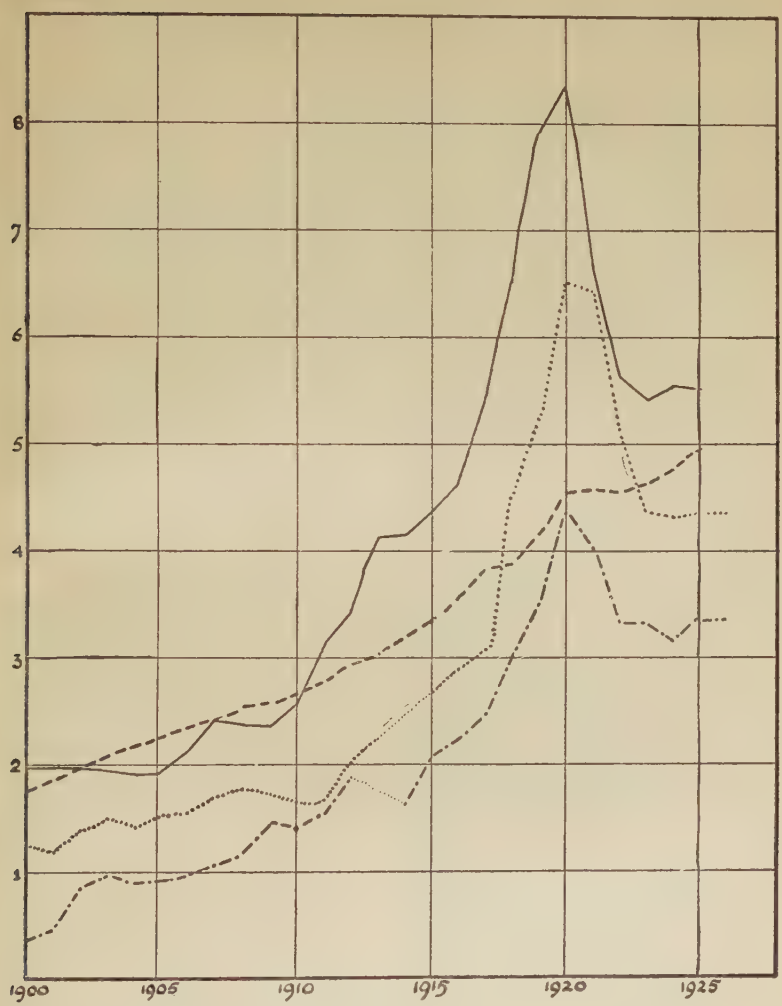
MEMBERSHIP OF WORKING-CLASS ORGANISATIONS
(1900–1927)

Membership of Working-Class Organisations. Membership in Thousands.					Strikes and Lock-outs.		Labour M.P.'s Seats Won at General Elections.
Date.	All Trade Unions.	Trades Union Congress.	Labour Party.	Co-operative Societies.	Workers Involved (thousands).	Duration in Days (thousands).	
1900	1,972	1,250	376	1,778	189	3,153	2
1901	1,979	1,200	469	1,875	180	4,142	—
1902	1,966	1,400	861	1,986	257	3,479	—
1903	1,942	1,500	970	2,089	117	2,339	—
1904	1,911	1,423	900	2,186	87	1,484	—
1905	1,934	1,541	921	2,262	94	2,470	—
1906	2,129	1,555	998	2,334	218	3,029	29
1907	2,425	1,700	1,072	2,440	147	2,162	—
1908	2,389	1,777	1,159	2,527	296	10,834	—
1909	2,369	1,705	1,486	2,597	301	2,774	—
1910	2,565	1,648	1,431	2,676	514	12,336	40–42*
1911	3,139	1,662	1,539	2,778	952	10,126	—
1912	3,416	2,002	1,895	2,933	1,462	38,255	—
1913	4,135	2,232	—	3,011	664	10,239	—
1914	4,145	—	1,612	3,188	447	9,362	—
1915	4,359	2,682	2,093	3,311	448	2,969	—
1916	4,644	2,851	2,220	3,566	276	2,367	—
1917	5,499	3,082	2,465	3,835	872	5,865	—
1918	6,533	4,532	3,013	3,895	1,116	5,892	57
1919	7,926	5,284	3,511	4,182	2,591	36,330	—
1920	8,334	6,505	4,360	4,559	1,932	28,858	—
1921	6,622	6,418	4,010	4,599	1,801	82,269	—
1922	5,614	5,129	3,310	4,569	552	19,652	142
1923	5,410	4,369	3,310	4,619	405	10,949	191
1924	5,531	4,328	3,194	4,753	613	8,361	151
1925	5,522	4,351	3,374	4,961	445	7,952	—
1926	—	4,366	3,388	—	2,751	162,233	—
1927	—	4,164	—	—	—	—	—

* Two elections in 1910.

MEMBERSHIP OF WORKING-CLASS ORGANISATIONS

(In Thousands.)



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..... Membership of Trades Union Congress.
----- Membership of all registered Co-operative Societies.
. - . - . Membership of Labour Party.

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